Asia Food & Properties Limited

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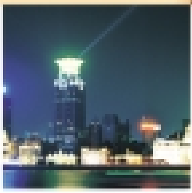
Asia Food & Properties Limited >> annual report 2002

>> annual report 2002

Asia Food & Properties Limited

Contents

Listed on the Singapore Exchange Securities Trading Limited (SGX-ST), Asia Food & Properties Limited (AFP) is involved in three core businesses: Agri-business, Food and Property, through its investments in Indonesia, China, Malaysia and Singapore. Headquartered in Singapore, the AFP Group employs about 45,500 people.



Corporate Profile

AGRI-BUSINESS

The Agri-business operations are located in Indonesia and China.

INDONESIA

Through its SGX-ST listed subsidiary, Golden Agri-Resources Ltd (GAR), the Group s Indonesia Agri-business is one of the world s largest vertically integrated oil palm plantation companies. With a total planted area of 282,000 hectares, GAR operates 24 palm oil processing mills, two refineries and four kernel crushing mills. The primary activities include oil palm tree cultivation and harvest; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; and refining into value-added products such as cooking oils, margarine and shortening.

CHINA

The Group s China Agri-business operations include refineries, port and oil-seed crushing facilities in Ningbo and Zhuhai, China.

FOOD

The Group s Food operations, which are carried out by Zhuhai Huafeng Food Industry (Group) Co., Ltd and its subsidiaries is one of the largest manufacturers of instant noodles in China. Its operations include the production, distribution and sale of instant noodles throughout China.

PROPERTY

The Group s property division in Indonesia is a leading developer and is engaged in the development and construction of commercial, residential and industrial properties, townships, hotels and resorts. The property division has long-term investments in major commercial buildings, hotels and resorts, and is involved in property sales, leasing and management of its real estate development and investments in Indonesia, China, Singapore and Malaysia.

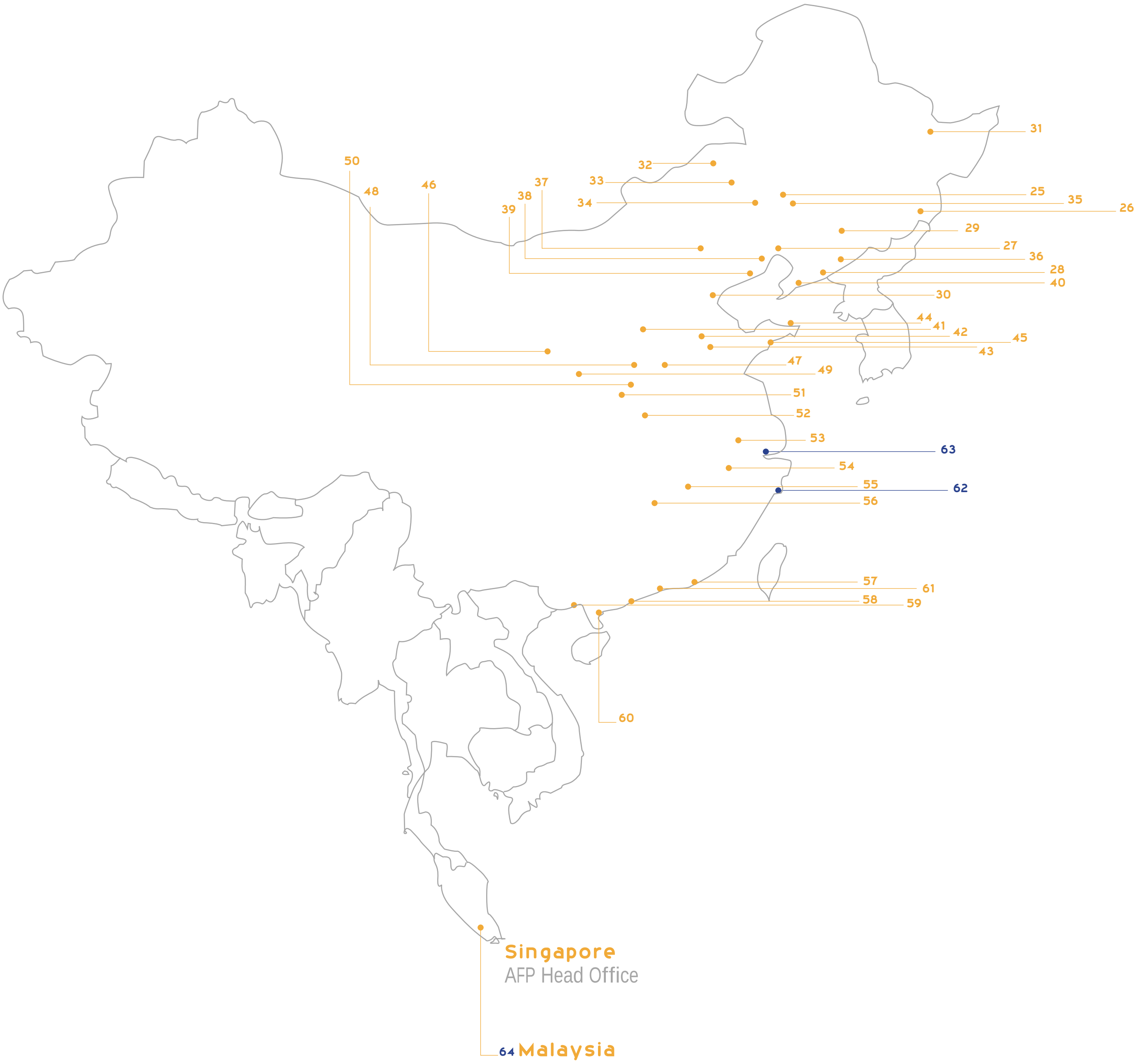
Network of Operations

Indonesia

1	North Sumatra	9	East Kalimantan	16	Medan
2	Jakarta	10	West Kalimantan	17	Jakarta
3	Riau	11	South Kalimantan	18	Surabaya
4	Jambi	12	Central Kalimantan	19	Balikpapan
5	Lampung	13	Belitung	20	Karawang
6	East Java	14	Bangka	21	Cibubur
7	West Java	15	Irian Jaya	22	Serpong
8	Central Java			23	Bali
				24	Batam

>> Agri-Business >> Food >> Property





China

25 Zhaodong
26 Mudanjiang
27 Fuxin
28 Shenyang
29 Changchun
30 Tangshan
31. Jiamusi
32. Qiqihaer
33. Daqing
34. Songyuan
35. Haerbin
36. Tonghua
37. Beijing
38. Jinzhou
39. Qinhuangdao
40. Dalian
41 Shijiazhuang
42. Jinan
43. Yanzhou
44. Yantai
45. Qingdao
46. Lanzhou
47. Zhengzhou
48. Yulin
49. Baoji
50. Yan'an
51. Xi'an
52. Wuhan
53. Nanjing
54. Hangzhou
55. Nanchang
56. Changsha
57. Shantou
58. Pingsha
59. Nanning
60. Zhanjiang
61. Guangzhou
62. Ningbo
63. Shanghai

Malaysia

64. Senai, Johor Bahru

Singapore

AFP Head Office

Corporate Directory

Board of Directors
Franky Oesman Widjaja (Chairman), Muktar Widjaja, Frankle (Djafar) Widjaja, Simon Lim (Appointed in August 2002), Tan Siauw Liang, Kunihiko Naito, Lew Syn Pau, Hong Hai, Hong Pian Tee, Foo Meng Kee

Audit Committee
Lew Syn Pau (Chairman), Hong Hai, Hong Pian Tee, Foo Meng Kee

Nominating Committee
Hong Hai (Chairman), Lew Syn Pau, Franky Oesman Widjaja (All appointed in April 2002)

Remuneration Committee
Hong Pian Tee (Chairman), Foo Meng Kee, Frankle (Djafar) Widjaja (All appointed in April 2002)

Secretary
Kimberley Lye Chor Mei (Appointed in November 2002)

Registered Office
3 Shenton Way, #17-03 Shenton House, Singapore 068805 Tel : (65) 6220 7720, Fax: (65) 6220 7020

Share Registrar and Transfer Office
B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 Tel : (65) 6323 6200, Fax :(65) 6323 6990

Auditors and Reporting Accountants
Moore Stephens, Certified Public Accountants
11 Collyer Quay, #10-02 The Arcade, Singapore 049317 Tel: (65) 62213771, Fax: (65) 62213815
Partner-in-charge: Christopher Bruce Johnson (Appointed in December 2002)

Principal Bankers
PT Bank Internasional Indonesia Tbk, BII Bank Limited, Cook Islands, United Overseas Bank Limited, PT Bank Mandiri (Persero), PT Bank Rakyat Indonesia (Persero), PT Bank Negara Indonesia Tbk, Mizuho Corporate Bank Ltd, Singapore Branch and Agricultural Bank of China

Date and Country of Incorporation
27 January 1994, Singapore

Share Listing
The Company s shares are listed on the Singapore Exchange Securities Trading Limited

Date of Listing
18 July 1997

Corporate Structure

(as at 31 December 2002)

Asia Food & Properties Limited

Agri-Business

MAURITIUS

Golden Agri-Resources Ltd *	55.02%

INDONESIA

PT Purimas Sasmita	55.02%
PT Mustika Sinar Kencana	55.02%
PT Sawit Mas Sejahtera	55.02%
PT Tarunacipta Kencana	55.02%
PT Trimeru	55.02%
PT Ivo Mas Tunggal	52.59%
PT Sinar Mas Agro Resources and Technology Tbk#	28.06%

CHINA

Shining Gold Oilseed Crushing (Ningbo) Co., Ltd	100%
Shining Gold Foodstuffs (Ningbo) Co., Ltd.	100%
Zhuhai Shining Gold Oil and Fats Industry Co., Ltd	85%
Ningbo Shining Gold Cereal Oil Port Co., Ltd	68.91%
Ningbo Shining Gold Cereal Oil Storage Co., Ltd	68.91%

Food

CHINA

Zhuhai Huafeng Food Industry (Group) Co., Ltd	90.11%
Zhuhai Huafeng Film Co., Ltd	85%
Zhuhai Huafeng Printing Co., Ltd.	85%

Property

INDONESIA

PT Paraga Artamida	84.37%
PT Duta Pertiwi Tbk#	75.14%
PT Karawang Bukit Golf	98.12%
PT Karawang Tatabina Industrial Estate	85.55%
PT Royal Oriented Limited	76.99%
PT AFP Dwilestari	65%

CHINA

Shanghai Golden Bund Real Estate Co., Ltd	96.79%
Ningbo Zhonghua Land Co., Ltd	89.21%

SINGAPORE

AFP Land Limited	100%
AFP Gardens (Tanjong Rhu) Pte Ltd	100%
Golden Bay Realty (Private) Limited	100%
AFP Hillview Pte Ltd.	100%

MALAYSIA

Palm Resort Berhad	30.60%
Anak Bukit Resorts Sdn Bhd	51%

Note:
A simplified corporate structure of the Group showing only the main subsidiaries, directly or indirectly held by the Company.
*Listed on the Singapore Exchange Securities Trading Limited
#Listed on the Jakarta Stock Exchange and Surabaya Stock Exchange.

Board of Directors

Franky Oesman Widjaja

Mr. Franky Widjaja, aged 45 was appointed to his present position at AFP as Chairman and Chief Executive Officer in 2000. He has been a Director since 1997. He received his tertiary education at the Aoyama Gakuin University, Japan where he graduated with a Bachelor s degree in Commerce in 1979.

Mr. Franky Widjaja has extensive management and operational experience in the different businesses of the Sinar Mas Group such as pulp and paper, property, chemical, financial services and agriculture since 1982. He presently heads the Agri-Business and Consumer Food Products Division of the Sinar Mas Group.

Mr. Franky Widjaja is a member of AFP s Executive Committee and Nominating Committee. He is Vice President Director of AFP s Indonesian property subsidiary, PT Duta Pertiwi Tbk, which is listed on the Jakarta and Surabaya Stock Exchanges.

Mr. Franky Widjaja is Chairman and Chief Executive Officer of AFP s SGX-ST listed agri-business subsidiary, Golden Agri-Resources Ltd. He is Vice President Director of PT Sinar Mas Agro Resources and Technology Tbk, also listed on the Jakarta and Surabaya Stock Exchanges. He also sits on the Boards of Directors of several Sinar Mas companies.

Chairman and Chief Executive Officer

Muktar Widjaja

Mr. Muktar Widjaja, aged 48 was appointed as President of AFP in 2000. He has been a Director since 1997. His last re-election as a Director was in 2001. He obtained his Bachelor s degree in Business Administration with a major in Commerce in 1979 from the University Concordia, Canada.

Mr. Muktar Widjaja has been actively involved in the management and operations of the property, financial services, agriculture, chemical and pulp and paper businesses of the Sinar Mas Group since 1983.

Mr. Muktar Widjaja is a member of AFP s Executive Committee. He is President Director of PT Duta Pertiwi Tbk and PT Sinar Mas Agro Resources and Technology Tbk. He is a Director and President of Golden Agri-Resources Ltd. He also serves on the Boards of Directors of several Sinar Mas companies.

Director and President

Frankle (Djafar) Widjaja

Mr. Frankle Widjaja, aged 46 has been a Director and Vice President of AFP since 1997. His last re-election as a Director was in 2002. He studied at the University of California, Berkeley, USA, and obtained a Bachelor of Science degree in Science (Industrial Engineering & Operational Research) in 1978.

He has been involved in the management and operations of the pulp and paper, financial services, food and agriculture and real estate businesses of the Sinar Mas Group since 1979. Mr. Frankle Widjaja is a member of AFP s Executive Committee and Remuneration Committee. He is a Director and Vice President of Golden Agri-Resources Ltd. He presently sits on the Boards of Directors of several Sinar Mas companies.

Director and Vice President

Simon Lim

Director and Chief Financial Officer

Mr. Lim, aged 40 was appointed as a Director and Chief Financial Officer of AFP in 2002. A 1988 graduate from University of Trisakti, Indonesia, majoring in Accounting and Finance, he later obtained a Master in Business Management from the Asian Institute of Management, Philippines in 1992 with a full scholarship from ADB-Japan. He has extensive financial, management and operational experience having worked in different industries. Mr. Lim is a member of AFP s Executive Committee. He is a Director and Chief Financial Officer of Golden Agri-Resources Ltd, and a Director of PT Sinar Mas Agro Resources and Technology Tbk. He is also a Commissioner of PT Duta Pertiwi Tbk.

Tan Siauw Liang

Director

Mr. Tan, aged 54 has been a Director of AFP since 1997. His last re-election as a Director was in 2001. He is an Economics graduate with a major in Management and Accounting from the Parahyangan Catholic University, Bandung, Indonesia. He joined the Agriculture Division of the Sinar Mas Group in 1980, and has more than 20 years of experience in the management and operations of plantations and refineries.
Mr. Tan is a member of AFP s Executive Committee. He is a Director and Chief Operations Officer of Golden Agri-Resources Ltd, and Vice President Director of PT Sinar Mas Agro Resources and Technology Tbk.

Kunihiko Naito

Director

Mr. Naito, aged 58 was appointed to AFP s Board of Directors in 1997. His last re-election as a Director was in 2002. He is a graduate of the Waseda University, Japan, where he obtained his Bachelor s degree in Engineering in 1967. Based in Singapore, Mr. Naito is Deputy General Manager of the South East Asia office of Nissho Iwai Corporation.
Mr. Naito has been with Nissho Iwai Corporation for 33 years, of which 14 years was with its subsidiary in USA. Prior to his present position, Mr. Naito was in Jakarta, where he was the Chief Representative for Nissho Iwai Corporation Indonesia.

Lew Syn Pau

Lead Independent Director and Chairman of Audit Committee

Mr. Lew, aged 49 has been a Director of AFP since 1999. His last re-election as a Director was in 2002. A Singapore Government scholar, Mr. Lew obtained a Master in Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA.

He is Managing Director of Stanbridge International Pte Ltd. Prior to Stanbridge, Mr. Lew was Senior Country Officer and General Manager for Banque Indosuez Singapore, where he worked from 1994 to 1997. He was General Manager and subsequently, Managing Director of NTUC Comfort from 1987 to 1993 and Executive Director of NTUC Fairprice from 1993 to 1994.

Mr. Lew is Chairman of AFP s Audit Committee, member of its Nominating Committee, and the Lead Independent Director.

He is Director of Golden Agri-Resources Ltd. He also sits on the Boards of Directors of several public listed companies namely, Poh Tiong Choon Logistics Ltd, Strike Engineering Ltd, Beyonics Technology Ltd, Lafe Technology Ltd, Achieva Ltd, Food Empire Holdings Ltd, Goodpack Ltd, Royal Clicks Limited, and Vikay Industrial Ltd. He is also Chairman of Ascendas Pte Ltd and President of The Singapore Confederation of Industries. He was a Member of Parliament from 1988 to 2001.

Hong Hai

Independent Director and Chairman of Nominating Committee

Dr. Hong, aged 59 was appointed a Director in 2001. His last re-election as a Director was in 2002. A Colombo Plan scholar, he graduated with First Class Honors in Electrical Engineering from University of Canterbury, New Zealand. He also holds a MPA from Harvard University and a PhD (Economics) from Carnegie-Mellon University, both in USA.

Dr. Hong is the Dean of Graduate Programmes, Nanyang Business School at the Nanyang Technological University. Prior to NTU, he was President and Chief Executive Officer of Haw Par Corporation Ltd and Haw Par Healthcare Ltd for 13 years.

Dr. Hong is Chairman of AFP s Nominating Committee and a member of its Audit Committee. He also sits on the Board of Directors of Golden Agri-Resources Ltd.

He serves on the Boards of several public listed companies, such as Haw Par Corporation Ltd, IDT Holdings (Singapore) Ltd, Poh Tiong Choon Logistics Ltd and Singapore Airport Terminal Services Ltd.

Dr. Hong currently holds public sector positions which include Chairman, Economic Committee, Singapore Chinese Chamber of Commerce & Industry and Deputy Chairman, Singapore-Sichuan Trade and Investment Committee. He is a member of the Traditional Chinese Medicine Practitioners Board.

Hong Pian Tee

Independent Director and Chairman of Remuneration Committee

Mr. Hong, aged 58 joined AFP s Board of Directors in 2001. His last re-election as a Director was in 2002. Prior to retiring from professional practice, he was a partner of PricewaterhouseCoopers, a position he held from 1985 to 1999.

Mr. Hong s experience and expertise are in corporate advisory, financial reconstruction and corporate insolvencies since 1977. He has been a corporate/financial advisor to clients with businesses in Singapore and Indonesia and in addition was engaged to restructure companies with operations in Taiwan, Indonesia and Malaysia.

He is Chairman of AFP s Remuneration Committee and member of its Audit Committee. He is also a Director of Golden Agri-Resources Ltd and Chairman of Pei Hwa Foundation.

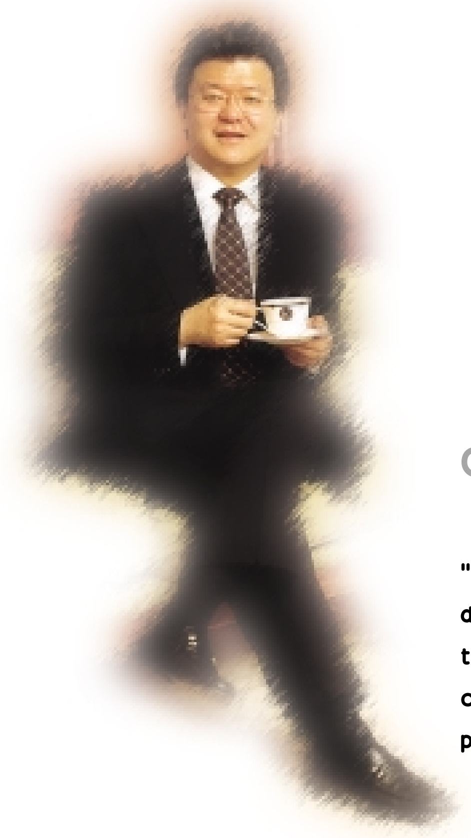
Foo Meng Kee

Independent Director

Mr. Foo, aged 53 joined AFP s Board of Directors in 2001. His last re-election as a Director was in 2002. His academic qualifications include MBA from the University of Dubuque, USA; Graduate Diploma in Marketing Management from the Singapore Institute of Management; and Bachelor of Commerce (Honors) from the Nanyang University of Singapore. Prior to setting up his consulting firm M K Capital Pte Ltd in 1998, Mr. Foo was with Hitachi Zosen Singapore Ltd where he had been working since 1976. As the Managing Director of Hitachi Zosen, he led in the listing of the company on the main board of the Singapore Stock Exchange.

Mr. Foo has in the past served on the Committees of the Association of Singapore Marine Industries and the Singapore Armed Forces Reservists Association.

He is a member of AFP s Audit Committee and Remuneration Committee. He also sits on the Boards of Directors of Golden Agri-Resources Ltd, Lee Metal Group Ltd, Liang Huat Aluminium Ltd and Technics Group Holdings Ltd.



Chairman Statement

"Despite the tough operating environment, our main operating divisions have diligently controlled operating costs while growing the businesses. As in previous years, we have been determined in our efforts to improve our cash flow position, to focus on making profit and enhancing value to all our stakeholders."

In 2002, the global economy continued to be challenging. Business conditions remained volatile and unpredictable. The global socio-political and economic uncertainties have dampened expectations of a quick global economic rebound.

The adverse business environment was challenging for most businesses and it was no exception for Asia Food & Properties Limited (AFP or the Company) and its subsidiaries (the Group), with diversified operations over a wide geographical spread. Nonetheless, the Group has continued to build on the strengths of its core businesses, and at the same time, taken decisive steps to divest its non-core assets. Our main operating divisions have diligently controlled operating costs while growing the businesses. As in previous years, we have been determined in our efforts to improve our cash flow position, to focus on making profit and enhancing value to all our stakeholders.

Group Performance

I am pleased to report that, during this challenging period, the Group achieved higher turnover of S$1.84 billion for the year ended 31 December 2002. This is an increase of about 25.3 percent over the previous year s turnover of S$1.47 billion. The Agri-business Division contributed about S$1.29 billion, or 70 percent of the Group s turnover. Almost half of the Group s turnover, or S$892.3 million was from the Indonesia Agri-business Division. The Property Division turned in a combined turnover of S$449.6 million, an increase of 27.4 percent from S$353 million in 2001. However, the China Food Division saw its turnover shrink to S$101.9 million in 2002, down 35.6 percent from S$158.2 million in the previous year.

Despite the provisions made for the investment in noodle business of S$48.5 million, the Group achieved a near break-even position with a net loss of S$1.6 million for 2002. This is a significant turnaround from the net loss of S$317.1 million for 2001.

Further, EBITDA was S$369.8 million in 2002, a significant increase of 105.9 percent over S$179.6 million recorded in 2001. The Group also managed to considerably trim its pre-

tax loss to S$57 million, down 87.8 percent, from 2001 pre-tax loss of S$466.1 million.

The improvement noted above was mainly attributed to higher contributions from Golden Agri-Resources Ltd and its subsidiaries (GAR Group) due to higher net realisable selling prices for crude palm oil (CPO) in the Indonesia Agri-business, higher contributions from the Property business and reduced losses at the Food business.

Agri-Business

The Group is well on its way to establishing its position as one of the world s largest oil palm plantation companies. The Group s Agri-business Division in Indonesia posted a turnover of S$892.3 million in 2002, up 61.9 percent from previous year s turnover of S$551.1 million. This increase was due to the higher net realisable selling prices of CPO and related palm products as a result of the recovery in market prices of CPO from the all-time industry low of 2001. The average international CPO price (CIF Rotterdam) in 2002 was US$389 per tonne, about 40 percent higher than the average CPO price of US$279 per tonne in 2001 *(Source: Reuters)*. Further, the annual production of CPO and palm oil related products grew 12 percent to 1,105,000 tonnes in 2002 as compared to the previous year s 987,000 tonnes.

The improved performance by the Indonesia Agri-business Division was mainly attributed to the recovery in prices of palm oil based products. The division s results in 2002 would have been better if the production yield had been higher. The production yield was adversely affected by cash saving initiatives adopted in 2001 and previous years due to the division s tight cash position. The consequent postponement in the construction of palm oil mills further adversely impacted our business by hampering our ability to process the fruits into higher value CPO. The CPO production of the plantations was also affected by a drought in certain areas of the plantations. In addition, roads and bridges in certain plantations were damaged by the heavy rain towards the end of 2002, which adversely affected the division s ability to harvest the fruits efficiently in those plantations.

The China Agri-business Division s marginal decline in turnover in 2002 was due to a reduction in our trading activities, which was offset by a larger volume of soybeans being crushed at the oilseed crushing facilities and higher selling prices of soybean oil and soybean meal. With the expansion of its crushing mill, the division s crushing capacity has increased from 679,000 tonnes in 2001 to 1,023,000 tonnes in 2002. However, the crushing capacity was under-utilised due to limited available working capital facilities. Further, the new import restriction on soybeans implemented by the authorities also contributed to the under-utilisation. Notwithstanding these, we expect the crushing utilisation rate to improve to 80 percent in 2003.

Food

In 2002, the instant noodles market in China was extremely competitive due to the emergence of more conveniently packaged food in the market and the low industry entry barriers. The reduction in net loss was mainly due to continuous efforts in successfully controlling advertising expenses and operating costs. In addition, there were cost savings arising from the consolidation of operations, including the shutting down of certain plants in the second half of 2001.

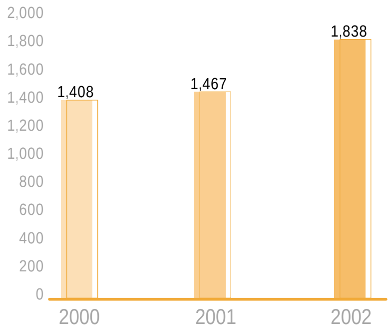
Given the challenging business environment in the instant noodles market in China — sluggish growth in demand and market size; low price and profit margins; and intense competition with a focus on capturing market share — we are faced with excess capacity and limited working capital facilities. Nevertheless, we will continue to restructure the division and endeavour to secure additional working capital facilities.

Property

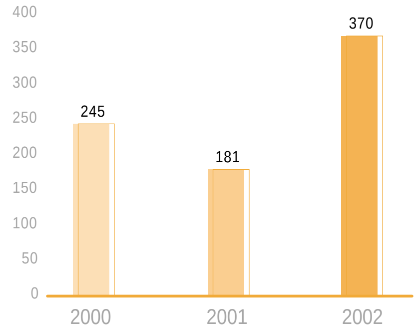
Despite the soft property market in 2002, the China and Indonesia Property Divisions reported higher turnover. Indonesia, in particular, turned in an exceptional performance with a turnover of S$348.8 million, up 50.3 percent from last year s turnover of S$232.1 million, with significant contributions from the sale of commercial kiosks and residential units.

The Indonesia Property Division has established a distinctive track record as a

Turnover
>> S$ million



EBITDA
>> S$ million



niche player in premium commercial and residential property development. The past year saw the completion and operation of commercial projects, ITC Cempaka Mas Mega Grosir, a wholesale and retail centre, and Harco Mas Mangga Dua, an electronics centre. With respect to our residential projects, we continued to introduce innovative new designs and value-added facilities, an example of which is the Kota Air (Water City) at Kota Bunga.

The property market in China continued its upward trend in 2002. The Property Division in China reported a significant increase in turnover from S$8.7 million in 2001 to S$34 million in 2002 due to the completion of the Bund Center.

Located in Shanghai, the development of the Bund Center was one of the Group s prime projects for the year. The Bund Center comprises a 50-storey office tower, The Westin Shanghai hotel and The Westin Residences serviced apartments. It is currently one of the largest, most modern and most comprehensive commercial and residential developments in Shanghai. The office tower was opened in May 2002, while The Westin Shanghai and The Westin Residences were opened on 27 September 2002. With a total lettable area of approximately 81,000 square metres, the office tower had achieved an occupancy rate of 52 percent as at end of 2002.

In addition to the Bund Center, we also achieved improved results from the Ningbo Golden Center, with the recent addition of renowned international names and brands to its existing list of tenants. In February 2002, we also launched the Riviere Mansion, situated adjacent to the Ningbo Golden Center. It is a mixed-use development, comprising 394 residential units, three floors of office space and two floors of retail space. As at the end of 2002, 84 percent of the available residential units have been sold.

Cash Flow

Significant efforts have been made to improve our cash flow position. As at the end of 2002, our cash and cash equivalents available for operations grew by approximately S$38 million as compared to the previous year. The surplus funds will be used primarily for the construction of the necessary infrastructure and CPO mills to improve our operational efficiency and funding for residential and commercial development projects for sale, since external funding is not readily available.

As at 15 March 2003, the Group s debts which had been rescheduled and the debts which do not require rescheduling, amounted to US$777.1 million (equivalent to S$1,348.3 million) based on balances as at 31 December 2002. This represented about 67.5 percent of the Group s total debts (comprising bank loans, bonds and trade facilities) of US$1,152.1 million (equivalent to S$1,998.9 million) as at 31 December 2002.

Prospects

The Group s performance will depend on the global socio-political and economic situation, particularly developments in Indonesia, as well as the war in the Middle East. The performance of the Group is also likely to be impacted by CPO prices, which recovered from its all-time industry low of 2001; foreign exchange movements; expected cost escalations due to inflationary factors in Indonesia and China; weather patterns, which will in turn impact the sustainable levels of CPO prices and the demand for other vegetable oils; and the ready availability of working capital for our operations.

Agri-Business

The prospects of the Indonesia Agri-business will be subject to the sustainability of CPO prices as well as the demand for other vegetable oils. Weather patterns will also have an impact on the Group s performance, since they directly influence the CPO prices, production volumes and the demand for other vegetable oils. The prices of palm oil based products are expected to remain firm in 2003 due to higher world demand and further depletion of world oils and fats stocks. With the benefit of continuing favourable CPO prices in 2003, the division is committed to increasing production yields through higher fertiliser applications, to improving transportation infrastructure at its plantations and to completing the construction of the requisite CPO mills. These measures will allow the division to realise its higher profit potential in the years to come.

2003 is expected to be a challenging year for the China Agri-business Division as it faces tremendous competition from increased domestic crushing capacity and higher import volume. These factors are anticipated to result in the growth of soybean meal supply in the market. To better position the division in this competitive environment, we will strive to strengthen our existing sales network, increase penetration and expand sales for the division s products, improve distribution logistics and customer services.

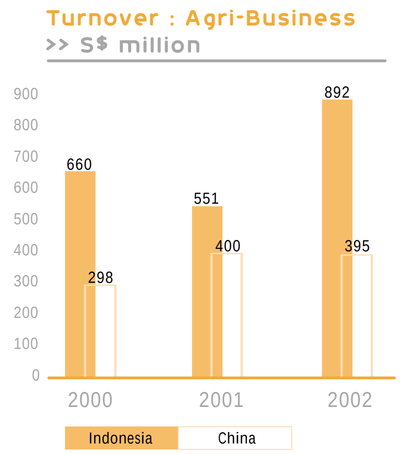
To maximise our crushing and refining capacities and to improve the crushing utilisation rate, the division will endeavour to procure additional working capital facilities. At the same time, we will continue to monitor our production to ensure that optimum cost efficiency is achieved and maintained.

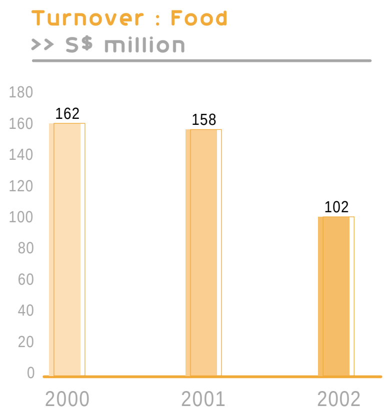
Property

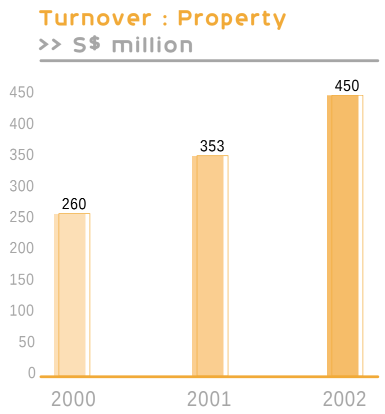
The prospects for the Property business in Indonesia and China continue to be positive, subject to the current global political and economic uncertainties. Given our long-standing reputation and brand name, we remain confident in our ability to maintain our position as a leader in the Indonesian property market. The China Property business remains a priority for us. For 2003, the China Property business will focus on leasing out all the remaining available space at the Bund Center office tower as well as establishing The Westin Shanghai as a leading hotel in Shanghai. It will also focus on selling the remaining units at Riviere Mansion and will continue to look for development opportunities to capitalise on the vibrant China market.

Food

The outlook for the Food business is, however, not encouraging. Given the competitive business environment in the instant noodles market in China, we are







exploring various options for the Food business, including strategic partnerships.

Conclusion

Going forward, our strategy will be to focus on our core businesses. We will continue to focus on increasing our plantation productivity, building on our established brand name to sell more properties in Indonesia and improving our cost efficiency with the objective of maximising shareholder value. We will also continue with our efforts to reschedule the Group s debts. Baring unforeseen political or economic events, we expect to be operationally profitable in 2003.

Directorate and Appreciation

I am pleased to announce the appointment of Mr Simon Lim as a director of the Company, with effect from 2 August 2002. The Board has also appointed Mr Lim as Chief Financial Officer. We will benefit from his extensive financial, management and operational experience.

At the same time, I would like to thank Mr Teguh Ganda Wijaya, Mr Hendrik Tee and Mr Willie Sia Siew Kiang, for their invaluable contribution to the Group during the tenure of their service on the Board. My appreciation also goes to the Board, Management team and all the staff for their hard work and commitment. Most of all, I wish to thank our valued shareholders for their understanding and kind support this past year.

Franky Oesman Widjaja
Chairman and Chief Executive Officer
1 April 2003


FILMA
MINYAK GORENG
NON KOLESTEROL

Operations Review

Agri-Business

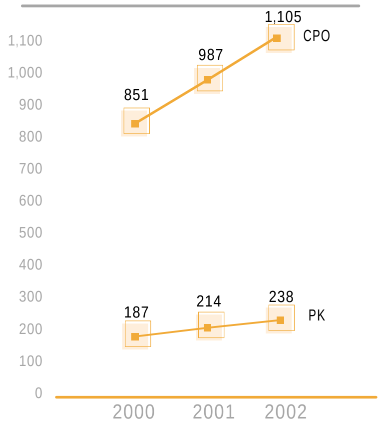
The Group s Agri-business comprises the oil palm plantations, refinery, commodities trading and consumables businesses in both Indonesia and China. The Agri-business division in Indonesia includes Golden Agri-Resources Limited (GAR), which is listed on the Singapore Exchange. GAR is one of the world s largest oil palm plantation companies. Its primary activities include cultivating and harvesting oil palm trees, processing fresh fruit bunch (FFB) into crude palm oil (CPO) and palm kernel, and refining CPO into value-added products such as cooking oils, margarine and shortening.

Indonesia

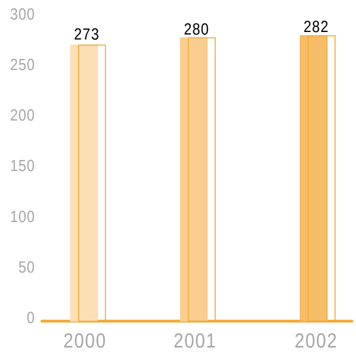
Our total planted area was 282,000 hectares as at end of 2002. Of this, the matured planted area was 255,000 hectares, an increase of 30 percent or 59,000 hectares as compared to 196,000 hectares as at end of 2001. The 4,612,000 tonnes of FFB harvested in 2002 were 10.5 percent higher than the harvest in the previous year. However, the young maturing trees have yet to reach the optimum yield typical for trees at the prime age. Consequently, the FFB yield per hectare in 2002 fell to 18.08 tonnes per hectare of FFB, from 21.25 tonnes per hectare of FFB in 2001. We expect the yield to improve as more young maturing trees reach their prime years.

CPO production was 12 percent higher in 2002, at 1,105,000 tonnes as compared to 987,000 tonnes in previous year. CPO extraction rate also increased to 23.03 percent in 2002, as compared to the extraction rate of 22.54 percent in the previous year.

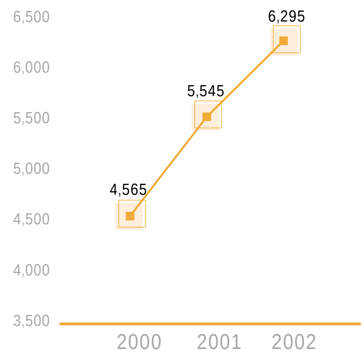
Annual CPO and PK Production
['000 Tonnes]



Total Planted Area
['000 Hectares]



Annual CPO Mills Processing Capacity
['000 Tonnes]



Total Tree Planted (By Location)
['000 Hectares]

	Immature	Mature	Total
Sumatra	14	193	207
Kalimantan	12	52	64
Irian Jaya	1	10	11
Total	27	255	282

In line with our philosophy to adopt sound environmental practices, we have continued to ensure that measures are in place to ensure zero burning in clearing our plantations.

The division has 24 processing mills as at the end of 2002, with the recent addition of two new palm oil processing mills, located in East Kalimantan and Riau, respectively. The annual processing capacity has consequently increased from 5,545,000 tonnes of FFB in 2001 to 6,295,000 tonnes of FFB in 2002. In September 2002, two of our CPO mills — Padang Halaban and Langga Payung Mills — was awarded the ISO 9001: 2000 Certification Award for Quality Management from the KEMA Registered Quality. This is an honoured recognition of our commitment to achieve internationally recognised standard of quality and productivity.

Presently, the annual processing capacities of our existing two CPO refineries and four

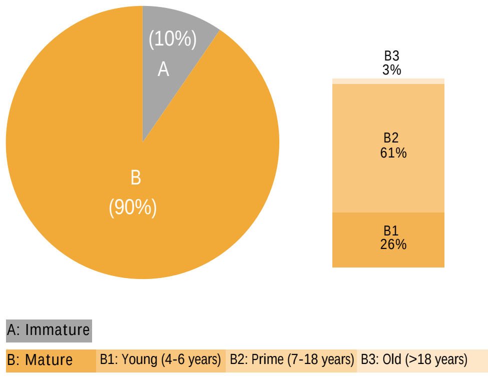
kernel crushing mills are approximately 840,000 tonnes and 356,400 tonnes, respectively. The kernel crushing mills crush palm kernel into palm kernel oils (PKO) and palm kernel meals (PKM), whereas the refineries refine CPO into value-added products such as cooking oils, margarine and shortening.

Our downstream activities include producing branded and unbranded cooking oils in Indonesia. Our market share for branded cooking oil in Indonesia has increased to 23 percent, from 20 percent in 2001. This is the result of intensified marketing efforts in areas such as TV commercials, increased sales promotion staff force, improved retail display and wider distribution coverage.

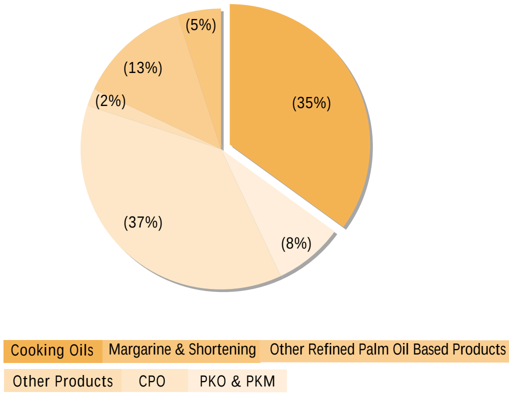
Looking ahead, the prices of palm oil based products are expected to remain firm in 2003, due to higher world demand and a further depletion of world oils and fats stocks. We will strive to capitalise on the sustainable levels of CPO prices by continuing to build on our fundamentals and increasing production yields as well as focusing on quality. We will continue to supply customers, both households and industries, with products that are of the best quality, are competitively priced and environment-friendly.

The division aims to become a high performance organisation by building competency and cultivating a learning environment. We will also look to improving the human resources information system, and equipping it with the ability to conduct competency profile, talent management and training

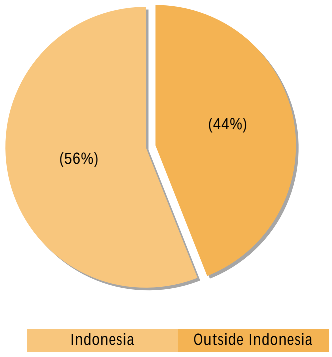
Age Profile of Trees



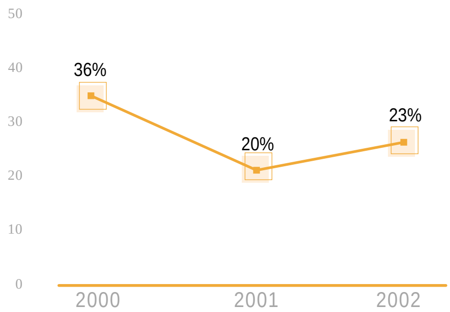
Sales : By Products



Net Sales : Domestic vs Export



Market Share : Branded Cooking Oils



development for creating a knowledge-based centre. Other plans include completing the implementation of SAP for all units in the Indonesia Agri-business Division, and adopting an integrated project management approach for important and strategic issues.

China

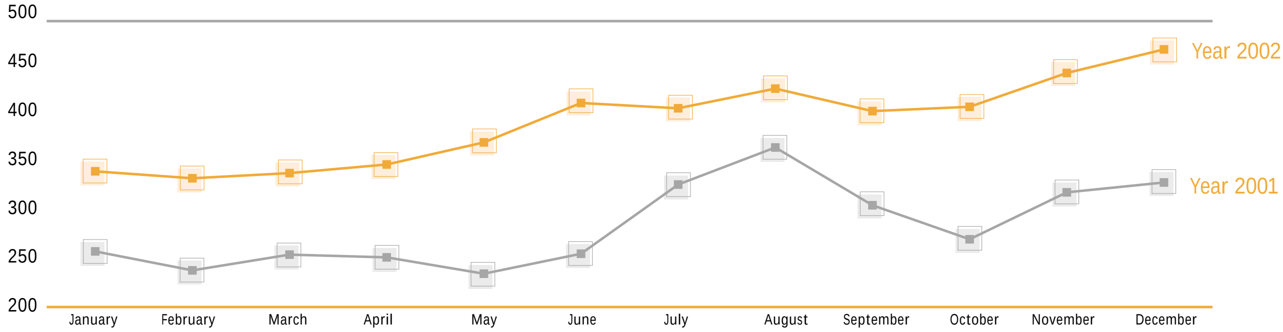
The China Agri-business Division operates a deep-sea oil and grain port, storage facilities, oilseed crushing and vegetable oil refining facilities in Ningbo, Zhejiang province. In addition, it has a vegetable oil refinery in Zhuhai, Guangdong province, and agriculture commodities trading operations in the free trade zone of Pudong, Shanghai.

Our crushing capacity has increased from 679,000 tonnes in 2001 to 1,023,000 tonnes in 2002. In 2002, the oilseed crushing operations processed about 550,000 tonnes of soybeans, producing about 442,000 tonnes of soybean meal and about 99,000 tonnes of crude soybean oils. The soybean meal produced is sold locally under the Flagship brand while the crude soybean oils is refined by our refineries. The plant capacity was under-utilised in 2002 due to limited available working capital facilities. Further, the new import restriction on soybeans implemented by the authorities also contributed to the under-utilisation of the crushing facilities.

Besides processing crude de-gummed soybean oil from our crushing operations, our refineries also process other crude vegetable oils and palm oils. These refined oils are sold to customers in bulk and in consumer packs. The small packed cooking oil brands are Grand Slam and Better Life .

Our Ningbo refinery has an annual processing capacity of 280,000 tonnes of crude vegetable oil and palm oil. In 2002, the unit processed about 131,000 tonnes of crude vegetable oil. The plant utilisation rate was about 46.8 percent. Our Zhuhai refinery processed about 48,000 tonnes of vegetable oil and palm oil in 2002.

CPO Prices cif Rotterdam
[US$ per Tonne]



Annual Refining and Storage Capacity ('000 Tonnes)

	Ningbo Refinery	Zhuhai Refinery
Refining	280	100
Storage	45	40

Annual Production Capacity - Ningbo Oilseed Crushing Plant ('000 Tonnes)

Soya bean meal production	820
Crude soya bean oil production	180

Annual Handling and Storage Capacity at Ningbo Port ('000 Tonnes)

Handling	2,500
Storage	2,200

Operations Review

Food

The Group s Food business comprises the manufacturing, distribution and sale of various types of instant noodles. Tapping on China s huge domestic market, the division meets demand ranging from economy grade to high-grade noodle, and snack noodle in both packet and bowl packaging. Besides instant noodles, the division is also involved in the manufacture and sales of carton boxes and biaxially-oriented polypropylene (BOPP) products.

Although China s economy is buoyant on the whole, food prices were actually lower in 2002 compared to 2001 due to the emergence of more conveniently packaged consumer food products as well as intense competition from the domestic instant noodle industry in China.

Nonetheless, our Food business commands an established brand name and presence in the China noodle market. We currently house 28 production lines in eight provinces in China, and are capable of manufacturing about 2.3 billion packets of instant noodles per annum. Our products are sold via 39 sales offices and distributed via various channels. These include integrated dealership network, transportation network, and a network of 79 warehouses in China.

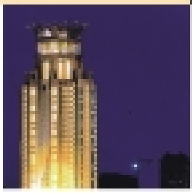
To remain competitive, we have upgraded, consolidated and relocated our production facilities to improve efficiency and to reduce production costs. We are also considering and exploring various options for the China Food business, including strategic partnerships.

Production

Location of Plant (City / Town, Province)	No. of Production Lines	Annual Capacity (million packets / bowls)
Pingsha, Guangdong	5	515
Yanzhou, Shandong	2	253
Fuxin, Liaoning	7	440
Zhaodong, Heilongjiang	4	300
Baoji, Shanxi	4	150
Xianyang, Shanxi	2	150
Wuhan, Hubei	4	491
Total	28	2,299

Channel of Sales and Distribution

Supermarkets and Chainstores	5,965
Distributors	535
Special outlets	1,624
Hypermarkets	524



Operations Review

Property

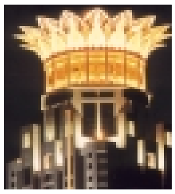
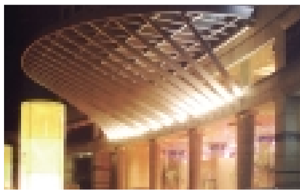
The Group s Property business comprises residential, retail, commercial, township, hotels, resorts and industrial property development and management across Indonesia, China, Singapore and Malaysia.

Indonesia

Commercial kiosks in shopping centres and small apartment units provide the impetus in the country s property market. Almost one million square metres of shopping centre space were launched in 2002 at an average selling price equivalent to US$3,500 per square metre, targeted to complete within two years. The buyers of these units comprise mostly existing traders with plans to expand their business, and new entrepreneurs. As for small apartment units, almost 8,000 units were launched in 2002 at an average selling price equivalent to about US$650 per square metre.

Commercial

Commercial projects completed in 2002 included ITC Cempaka Mas Mega Grosir, a wholesale and retail centre and Harco Mas Mangga Dua, an electronics centre. Both projects are based in Jakarta. Two new commercial projects — Apartment Ambassador II and the Grand ITC Permata Hijau — were launched in 2002. As at the end of 2002, the units at Apartment Ambassador II were almost sold out. To maintain our current position as the market leader in the development of commercial/shopping centres, we will continue to maintain our strategy of competitive pricing as well as creating new value-added concepts to exceed buyers expectations.

Residential

During the year, we continued to introduce innovative new designs and value-added facilities in our landed residential projects. These include the Kota Air (Water City) at Kota Bunga; a commercial centre at Legenda Wisata; and the first village Kampoeng China in Kampoeng Wisata , a commercial centre at Kota Wisata, all of which have commenced operations. Both Legenda Wisata and Kota Wisata are well known housing projects located in greater eastern part of Jakarta. We also introduced Mal Fantasy , a unique shopping centre to serve the community in Balikpapan Baru, the best housing project in Balikpapan, East Kalimantan.

Investment Property

Despite the political and economic conditions in Indonesia, our Grand Hyatt Hotel is still favoured by businessmen and expatriates alike. It is considered one of the best business hotels in Jakarta. Our two other hotels, Dusit Balikpapan and Dusit Mangga Dua enjoyed high average occupancy rates of 81 percent and 65 percent, respectively in 2002.

Take up rates remain stable at Plaza BII, Wisma BII Jakarta, Wisma BII Surabaya and Wisma BII Medan. In 2002, the average occupancy rates were 92 percent for Plaza BII, 80 percent for Wisma BII Jakarta, 55 percent for Wisma BII Surabaya and 89 percent for Wisma BII Medan. A concerted effort has been undertaken to increase the occupancy level.

One of the challenges the Indonesia Property Division faces is the limited available sources of financing. We, therefore, have adopted a pre-sale strategy for our projects, whilst monitoring collection to adjust payment schedules from buyers to match our obligation with contractors. Given our long-standing reputation and brand name, we remain confident of maintaining our position as a leader in the Indonesia property market.

China

With China s accession into the World Trade Organisation (WTO) and the attractive investment environment in Shanghai, an increasing number of multi-national corporations (MNCs), and therefore expatriates, are setting up or relocating offices to this city. To capitalise on the rising demand for office space and serviced apartments, the Group s China Property completed the construction of the prestigious Bund Center in 2002. With a built up area of 190,000 square metres, the Bund Center comprises a 50-storey office tower, The Westin Shanghai hotel and The Westin Residences serviced apartments. It is the first integrated development in the prime Huangpu district and is currently one of the largest, and the most modern and comprehensive commercial and residential developments in Shanghai. Designed by world-renowned architects, John Portman and Associates, the Bund Center is the division s major project for the year.

The Bund Center s office tower was opened on 1 May 2002 and is managed by Colliers International. It achieved an occupancy rate of 52 percent as at end of 2002. This is an accomplishment given that the office tower has been operating for only slightly over half a year. With a total lettable area of approximately 81,000 square metres, the office tower has secured tenants of international repute.

The Westin Shanghai and The Westin Residences were opened on 27 September 2002. The Westin Shanghai is a five-star hotel managed by Starwood Hotels & Resorts and boasts 301 rooms based on suite concepts that feature Westin s famous Heavenly Bed®. The Westin Residences is the first luxury serviced apartment building to open in the Bund district and offers a choice of 143 one-, two- and three-bedroom and Penthouse units. Based on available statistics since opening, The Westin Shanghai achieved a Revenue Per Available Room ranked amongst the top three in Shanghai.

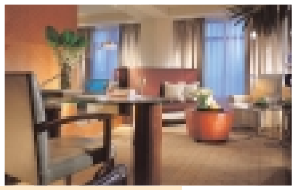
Besides the Bund Center, the division continued to operate the Ningbo Golden Center with improved results. This six-storey shopping centre in the heart of Ningbo is recognised as the best, and the most prestigious and up-market shopping mall in Ningbo. It recently added renowned international names and brands to its existing list of tenants.

In February 2002, we also launched the Riviere Mansion, a mixed-use development adjacent to the Ningbo Golden Center. Comprising 394 residential units, three floors of office space and two floors of retail space, the property is the highest residential development in the entire Zhejiang province. As at the end of 2002, about 84 percent of the available residential units have been sold.

Singapore/Malaysia

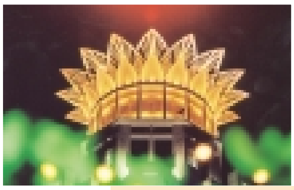
The AFP Land Group has properties in Singapore, Malaysia and Batam. These include Costa Rhu, Hilltop Grove, Orchard Towers, AFP Warehouse in Singapore; Palm Resort in Malaysia and Palm Springs Golf & Beach Resort in Batam. These operations did not make a major contribution to the Group s performance and we do not expect significant contribution from this division in 2003.

Property Portfolio
(as at 31 December 2002)

Major Properties Held by The Company and Its Subsidiaries

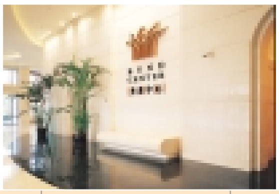
Country and Type of Development	Tenure	Site Area (sq.m.)	Approximate Net Lettable Area (sq.m.)/ Number of Rooms for Hotels
INDONESIA			
Commercial			
Wisma BII — Jakarta A 12-storey office block, a basement level and a 7-storey carpark building. Located at Jl. M.H. Thamrin Kav.51, Central Jakarta.	20-year lease till Jan 2005	2,691	7,934
Wisma BII — Medan A 10-storey office block and 3 basement levels. Located at Jl. Diponegoro, North Sumatra.	20-year lease till Apr 2011	4,358	11,275
Wisma BII — Surabaya A 20-storey office building, a basement level and a 11-storey carpark building. Located at Jl. Pemuda, Surabaya.	20-year lease till Feb 2006	4,277	23,048
Plaza BII (a) Tower II — a 39-storey office building (b) Tower III — a 12-storey office building Located at Jl. M. H. Thamrin Kav.21, Central Jakarta.	30-year lease till Mar 2025	13,302	 60,125 11,478
Hotel			
Dusit Mangga Dua Hotel A 4-star hotel, shophouses and retail kiosks. Located at Jl. Mangga Dua Raya, Jakarta.	20-year lease till Jul 2008	13,940	343
Dusit Balikpapan Hotel A 4-star hotel and shophouses. Located at Jl. Jenderal Sudirman, Balikpapan, East Kalimantan.	20-year lease till Sep 2012	19,100	189
Grand Hyatt Jakarta Hotel A 5-star hotel and shopping complex. Located at Jl. M.H. Thamrin, Jakarta. (Owned by an associated company, PT Plaza Indonesia Realty)	20-year lease till 2017	38,050	447




Major Properties Held by The Company and Its Subsidiaries

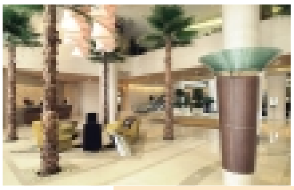
Country and Type of Development	Tenure	Site Area (sq.m.)	Approximate Net Lettable Area (sq.m.)/ Number of Rooms for Hotels
SINGAPORE			
Commercial			
Orchard Towers AFP owns approximately 25 percent of the total net lettable area in this complex. Located at 400 Orchard Road.	Freehold	6,130	9,403
Industrial			
AFP Warehouse A 5-storey warehouse building. Located along Pasir Panjang Road.	Freehold	11,335	24,237
CHINA			
Commercial			
Ningbo Golden Center A 6-storey retail complex. Located at Jiangdong District, Ningbo, Zhejiang Province.	50-year lease till 2045	6,104	18,725
Industrial			
Ningbo Guan Bao Storage & Warehouse A storage and warehousing building. Located on the West District of Ningbo Free Trade Zone.	50-year lease till 2044	59,145	59,145
Mixed Development			
Bund Center An integrated development comprising The Westin Shanghai Hotel & Residences and the Bund Center Office Tower located at Yan An Road, Shanghai.	50-year lease till 2044	17,576	81,094 Hotel-301 rooms Serviced Apartment-143 units
MALAYSIA			
Hotel			
Hotel Sofitel A 5-star hotel. Located on the Palm Resort Golf & Country Club at Senai, Johor Bahru.	Freehold	56,656	330

Property Portfolio
(as at 31 December 2002)



Major Properties Under Construction / Development

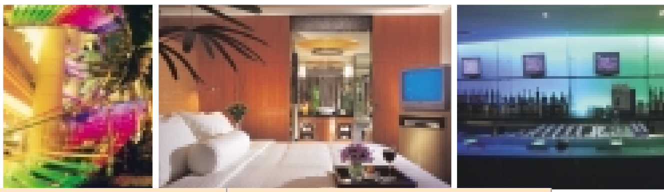
Country and Type of Development	Site Area (sq.m.)	Gross Floor Area (sq.m.)	Approximate Percentage Held (%)	Expected Completion Date
INDONESIA				
Mixed Development				
Ruko Mega Grosir A proposed development of shophouses. Located at Jl. Let Jenderal Suprapto, Central Jakarta.	68,259	56,468	75	2005
Plaza Indonesia II A proposed mixed development. Located at Jl. M.H. Thamrin No.15, Central Jakarta.	10,858	145,455	15	Postponed
ITC Kuningan A proposed development of retail kiosks and retail space. Located at Jl. Prof. Dr. Satrio, South Jakarta.	11,075	81,787	75	2003
Grand ITC Permata Hijau A proposed mixed development. Located at Jl. Arteri Permata Hijau, Jakarta.	37,060	85,180	38	2005
Industrial Estate				
KIIC - PT Maligi Permata Industrial Estate - PT Harapan Anang Bakri & Sons - PT Karawang Tatabina Industrial Estate Located at Desa Wadas, Sukaluyu Jambe, Karawang, West Java. *** The site is for the development of infrastructure only.	1,645,000 1,546,500 3,154,000	*** *** ***	8 3 86	N.A. N.A. N.A.
Sedana (Housing, Commercial & Golf Course)	1,242,700	N.A	98	N.A.
Residential				
Banjar Wijaya Located at Jl. Cipondoh Raya Tangerang, West Java.	295,040	N.A	45	2005
Kota Bunga Located at Jl. Hancet, Cipanas, West Java.	578,590	N.A.	75	2005



Major Properties Under Construction / Development

Country and Type of Development	Site Area (sq.m.)	Gross Floor Area (sq.m.)	Approximate Percentage Held (%)	Expected Completion Date
INDONESIA				
Residential				
Taman Permata Buana Located at Jl. Kembangan, West Jakarta.	10,324	N.A	75	2004
Kota Wisata Located at Cibubur, Greater Jakarta.	2,898,190	N.A	22	2010
Villa Bukit Mas Located at Jl. Dukuh Pakis, Surabaya.	52,939	N.A	84	2004
Balikpapan Baru Located at Balikpapan, Kalimantan.	481,730	N.A	84	2005
Legenda Wisata Located at Cibubur, Greater Jakarta.	1,201,704	N.A	75	2006
Township				
Bumi Serpong Damai A proposed satellite town of residential development, infrastructure, public utilities, facilities and amenities. Located at Serpong, Tangerang, West Java.	25,813,800	N.A	51	2014
CHINA				
Zhongshan Square A proposed residential and commercial complex. Located at Hongqiao, Puxi District, Shanghai.	16,171	129,957	36	2004

Property Portfolio
(as at 31 December 2002)



Major Properties Held for Development and / or for Sale

Country and Type of Development	Site Area (sq.m.)	Approximate Percentage Held (%)
INDONESIA		
Mixed Development		
Mangga Dua Surabaya — Located at Jagir, Surabaya, East Java.	39,762	75
Roxy II — Located at Jl. K.H. Hasyim Ashari, Central Jakarta.	110,832	75
Sabang — Located at Jl. K.H. Agus Salim 45, Central Jakarta.	15,340	84
Residential		
Jati Asih — Located at Jati Asih, Pondok Gede, West Java.	878,422	75
Cibubur — Located at Cibubur, Greater Jakarta.	1,317,801	75
Wisata Bukit Mas - Located at Surabaya, East Java.	438,533	46
Resort		
Palm Springs — Located at Batam, Indonesia.	1,180,000	65
Located at Pecatu — Bali, Indonesia.	797,200	84
SINGAPORE		
Residential		
Hilltop Grove - Located along Hillview Avenue.	13,047	100
CHINA		
Mixed Development		
Riviere Mansion [formerly known as Ningbo Golden Center (Phase II)]. A proposed mixed development comprising retail, office and residential apartments. Located at Zhongshan East Road, Jiangdong District, Ningbo, Zhejiang Province.	3,841	89
MALAYSIA		
Mixed Development		
Palm Resort Berhad — Located at Senai, Johor Bahru.	505,860	31
Anak Bukit Resorts Sdn Bhd — Located at Senai, Johor Bahru.	376,360	51

Financial Report

ASIA FOOD & PROPERTIES LIMITED
(incorporated in Singapore)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 DECEMBER 2002

ASIA FOOD & PROPERTIES LIMITED
(incorporated in Singapore)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

31 DECEMBER 2002

CONTENTS	**PAGE**

ASIA FOOD & PROPERTIES LIMITED

REPORT OF THE DIRECTORS
31 DECEMBER 2002

The directors present their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2002.

1 Directors

The directors of the Company in office at the date of this report are:

Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja
Simon Lim (Appointed on 2 August 2002)
Tan Siauw Liang
Kunihiko Naito
Lew Syn Pau
Hong Hai
Hong Pian Tee
Foo Meng Kee

During the financial year, Teguh Ganda Wijaya retired; Willie Sia Siew Kiang and Hendrik Tee resigned, as directors of the Company. The directors would like to thank them and express their appreciation to them for their valuable contributions while serving as directors of the Company.

2 Principal Activities

The Company is principally engaged as an investment holding company. It also acts as the operational headquarters for the group of companies in the region. The principal activities of the subsidiaries and associated companies are described in Notes 47 and 48 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3 Acquisition and Disposal of Subsidiaries

(a) Details of subsidiaries which were incorporated and issued subscribers' shares during the financial year are disclosed in Paragraph 6 of the Directors' Report.

(b) The following subsidiaries were acquired during the financial year:

Name of subsidiary	Consideration	Group's share of net tangible assets/(liabilities)	Group's effective equity interest acquired
	S$'000	S$'000	%
Indonesia Property Division			
P.T. Binamaju Mitra Sejati	5	4	46.39
Indonesia Agriculture Division			
P.T. Dumai Refinery Sejahtera	625	441	52.59
P.T. Paramitra Agung Cemerlang	*	*	55.02

* less than $1,000

3 Acquisition and Disposal of Subsidiaries (con'td)

Pursuant to a Basic Restructuring Agreement entered into in August 2002, P.T. Ivo Mas Tunggal, a subsidiary of Golden Agri-Resources Ltd which is in turn a subsidiary of the Company acquired the entire issued and paid up capital of P.T. Global Agronusa Indonesia and P.T. Ivo Mas at an aggregate consideration of S$6,975 and S$80 respectively, in November 2002. Under the Basic Restructuring Agreement, P.T. Ivo Mas was merged with P.T. Ivo Mas Tunggal and was subsequently dissolved. In addition, P.T. Buana Wiralestari a wholly owned subsidiary of P.T. Ivo Mas Tunggal, was merged with P.T. Global Agronusa Indonesia and then dissolved. Subsequently, P.T. Global Agronusa Indonesia changed its name to P.T. Buana Wiralestari Mas.

(c) The following subsidiaries were sold during the financial year:

Name of subsidiary	Proceeds S$'000	Group's share of net tangible assets /(liabilities) S$'000	Group's effective equity interest %
Indonesia Agriculture Division			
P.T. Baruna Ekawidya	17	10	35.05
P.T. Kusuma Argareksa	3	2	35.05
P.T. Perkebunan dan Perindustrian Nirmala Agung } P.T. Maskapai Perkebunan Indorub Sumber Wadung and its subsidiary companies }	7,753	5,642	28.06

(d) The following subsidiaries were liquidated, deregistered or merged during the financial year:

Indonesia Agriculture Division
World Commodities Trading Co Ltd
P.T. Bantanan Ekajaya } merged with P.T. Ivo Mas Tunggal
P.T. Nusantara Muktisentosa }

China Food Division
Beijing Zhongtie Huafeng Food Company Limited

China Property Division
Ningbo Jinye Land Co., Ltd – merged with Ningbo Zhonghua Land Co., Ltd

AFP Land Division
Amcol Pacific Management Pte Ltd

4 Results for the Financial Year

	Group S$'000	Company S$'000
Loss before minority interests	(66,112)	(99,777)
Minority interests *	64,469	-
Loss attributable to shareholders#	(1,643)	(99,777)

* This mainly relates to minority interests' share of losses in the Indonesia Agriculture Division net of minority interests' share of profits in the Indonesia Property Division.

\# Please refer to page 21 of the consolidated financial statements for details.

5 Transfers to/(from) Reserves or Provisions

There were no material transfers to or from reserves during the financial year other than those disclosed in the financial statements.

6 Issue of Shares and Debentures

The Company did not issue any shares or debentures during the financial year.

Shares issued by subsidiaries in the Group for cash, at par during the financial year are described below:

Name of subsidiary	Ordinary shares issued/increase in share capital/injection of equity Rupiah (Rp)'000,000	Purpose	Par value per share
Indonesia Property Division			
P.T. Karawang Bukit Golf	Rp50,000.385 to 50,000.394	Working Capital	Rp1,000
P.T. Masagi Propertindo Indonesia	Rp51,000 to 52,000	Working Capital	Rp1,000
P.T. Saranapapan Ekasejati	Rp25,000 to 75,000	Working Capital	Rp1,000
Indonesia Agriculture Division			
P.T. Bumi Sawit Permai	Rp30,340 to 62,340	Working Capital	Rp1,000,000
P.T. Bumipermai Lestari	Rp100,000 to 250,000	Working Capital	Rp1,000,000
P.T. Kurnia Cakra Sakti	Rp200 to 300	Working Capital	Rp1,000,000
P.T. Matrasawit Sarana Sejahtera	Rp32,500 to 60,000	Working Capital	Rp1,000,000
P.T. Mustika Sinar Kencana	Rp113,648 to 115,148	Working Capital	Rp1,000,000
P.T. Paramitra Agung Cemerlang	Rp5 to 500	Working Capital	Rp500
P.T. Ramajaya Pramukti	Rp25,665 to 100,000	Working Capital	Rp1,000,000
P.T. Sumber Indahperkasa	Rp36,380 to 88,253	Working Capital	Rp1,000,000
P.T. Telentam Bungoraya	Rp2,500 to 45,000	Working Capital	Rp1,000,000

P.T. Ivo Mas increased its share capital from Rp10 billion to Rp351.078 billion as consideration for the transfer of its payables. The par value per share is Rp1,000,000. In addition, P.T. Buana Wiralestari Mas (formerly known as P.T. Global Agronusa Indonesia) increased its share capital from Rp56.965 billion to Rp454.268 billion as settlement of its payables. The par value per share is Rp1,000,000.

China Property Division

Ningbo Zhonghua Land Co., Ltd increased its paid up capital from Rmb113,000,000 to Rmb129,714,125 arising from the merger with Ningbo Jinye Land Co., Ltd.

Reduction in issued share capital during the financial year is described below:

Name of subsidiary	Decrease in share capital Rp'000,000
Indonesia Property Division	
P.T. Mustika Karya Sejati	Rp50,000 to 5,000
P.T. Perwita Margasakti	Rp105,000 to 75,000
P.T. Sinar Mas Teladan	Rp50,875 to 10,175
Indonesia Agriculture Division	
P.T. Nusantara Candra	Rp7,500 to 2,500
P.T. Griyagraha Sarimakmur	Rp3,000 to 1,750
P.T. Mitra Ekasukses Abadi	Rp625 to 100

7 **Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures**

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

8 **Directors' Interest in Shares and Debentures**

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse — At the beginning of the year or date of appointment if later	At the end of the year	Shareholdings in which directors are deemed to have an interest — At the beginning of the year or date of appointment if later	At the end of the year
The Company				
Shares of S$1.00 each				
Hong Hai	300,000	300,000	-	-
Warrants 2002 (expired on 12 July 2002)				
Hong Hai	1,000	-	-	-
Related Corporations				
Golden Agri-Resources Ltd Shares of US$0.10 each				
Tan Siauw Liang	550,000	550,000	-	-
Hong Hai	200,000	500,000	-	-
Hong Pian Tee	950,000	950,000	-	-
P.T.Duta Pertiwi Tbk Shares of RP500 each				
Franky Oesman Widjaja	-	-	4,730,250*	4,730,250*
Muktar Widjaja	-	-	4,730,250*	4,730,250*
Tan Siauw Liang	133,000	187,000	-	-
P.T. Sinar Mas Agro Resources and Technology Tbk Shares of RP1,000 each				
Tan Siauw Liang	1,170,150	1,224,150	-	-

8 Directors' Interest in Shares and Debentures (cont'd)

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse: At the beginning of the year or date of appointment if later	Shareholdings registered in the name of directors or their spouse: At the end of the year	Shareholdings in which directors are deemed to have an interest: At the beginning of the year or date of appointment if later	Shareholdings in which directors are deemed to have an interest: At the end of the year
P.T. Paraga Artamida Shares of RP1,000 each				
Franky Oesman Widjaja	-	-	138,880,000*	138,880,000*
Muktar Widjaja	-	-	138,880,000*	138,880,000*
P.T.Bhineka Karya Pratama Shares of RP1,000 each				
Franky Oesman Widjaja	-	-	675,000*	675,000*
Muktar Widjaja	-	-	675,000*	675,000*
P.T Simas Tunggal Centre Shares of RP1,000 each				
Franky Oesman Widjaja	-	-	100,000*	100,000*
Muktar Widjaja	-	-	100,000*	100,000*
P.T. Ekacentra Usahamaju Shares of RP1,000 each				
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*
P.T. Sinar Mas Teladan Shares of RP1,000 each				
Franky Oesman Widjaja	-	-	2,775,000*	555,000*
Muktar Widjaja	-	-	2,775,000*	555,000*
P.T. Sinar Mas Wisesa Shares of RP1,000 each				
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*
P.T. Binamaju Grahamitra Shares of RP1,000,000 each				
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*
P.T. Ivo Mas Shares of RP1,000,000 each				
Franky Oesman Widjaja	-	-	2,000*	-
Muktar Widjaja	-	-	2,000*	-

8 Directors' Interest in Shares and Debentures (cont'd)

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse: At the beginning of the year or date of appointment if later	Shareholdings registered in the name of directors or their spouse: At the end of the year	Shareholdings in which directors are deemed to have an interest: At the beginning of the year or date of appointment if later	Shareholdings in which directors are deemed to have an interest: At the end of the year
P.T. Agropanca Modern Shares of RP1,000,000 each				
Franky Oesman Widjaja	-	-	3,371*	-
Muktar Widjaja	-	-	3,371*	-
P.T. Agrointim Respati Shares of RP1,000,000 each				
Franky Oesman Widjaja	-	-	1,587*	-
Muktar Widjaja	-	-	1,587*	-

* Held by corporations in which the director has an interest by virtue of Section 7 of the Singapore Companies Act.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2003.

9 Dividends

No dividend has been paid, declared or recommended by the Company since the end of the previous financial year.

10 Directors' Actions Relating to Bad and Doubtful Debts

Before the profit and loss statement and the balance sheet were made out, the directors of the Company took reasonable steps to ascertain that proper action had been taken in relation to the writing off and providing for bad and doubtful debts of the Company and have satisfied themselves that all known bad debts, if any, of the Company have been written off and that where necessary adequate provision has been made for doubtful debts.

At the date of this report, the directors of the Company are not aware of any circumstances which would render any amounts written off or provided for bad and doubtful debts for the group of companies in the consolidated financial statements of the Company inadequate to any substantial extent.

11 Directors' Actions Relating to Current Assets

Before the profit and loss statement and the balance sheet were made out, the directors of the Company took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or were adequately provided for.

At the date of this report, except as disclosed in the accompanying financial statements, the directors of the Company are not aware of any circumstances which would render the values attributable to current assets in the consolidated financial statements misleading.

12 Charges on Assets and Existence of Contingent Liabilities After Year End Date

At the date of this report and as disclosed in the accompanying financial statements:

(a) there does not exist any charge on the assets of the Company or any corporation in the Group which has arisen since the end of the financial year which secures the liability of any other person; and

(b) there does not exist any contingent liability of the Company or any corporation in the Group which has arisen since the end of the financial year.

13 Ability to Meet Obligations

As mentioned and more fully described in the accompanying financial statements, the Company and the Group have not complied with certain terms and conditions governing certain loan and debt facilities. The Company and the Group are currently in negotiation with lenders to reschedule the loan and debt facilities, including the re-negotiation of new repayment and other contractual term.

The successful re-negotiation of the terms of the loan facilities, is necessary, in the opinion of the directors of the Company, to allow the Company and the Group to meet contingent liabilities and other liabilities of the Company and the Group which have become enforceable or are likely to become enforceable within the period of twelve months after the end of the financial year and which will or may substantially affect the ability of the Company and the Group to meet their obligations as and when they fall due.

In addition, the matters referred to in Notes 46(a) and 46(b) of the accompanying financial statements may also affect the ability of the Group to meet its obligations.

14 Other Circumstances Affecting the Financial Statements

At the date of this report, except as disclosed in the accompanying financial statements, the directors of the Company are not aware of any circumstances not otherwise dealt with in this report or consolidated financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

15 Unusual Items

In the opinion of the directors of the Company, the results of the operations of the Company and of the Group have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial year except as disclosed in the accompanying financial statements.

16 Unusual Items After Year End Date

In the opinion of the directors of the Company, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made except as disclosed in the accompanying financial statements.

17 Directors' Receipt and Entitlement to Contractual Benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements) with corporations in which certain directors have an interest.

18 Options to Take Up Unissued Shares

During the financial year, no option to take up unissued shares of the Company was granted.

19 Options Exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

20 Unissued Shares Under Option

(a) The Company

In March 2000, a subsidiary, Asia Integrated Agri Resources Ltd ("AIAR") issued Guaranteed Two Percent Convertible Notes amounting to US$25,000,000 ("Notes") to a Noteholder. The Notes carried an option for the Noteholder to convert the value of the Notes to ordinary shares in AIAR (the "First Option"). In the event that AIAR failed to meet a certain profitability target ("Profit Test"), the Noteholder had an option to either (i) demand repayment of a certain percentage of the face value of the Notes, or (ii) if the failure to meet such Profit Test persisted over a certain number of years, then the Noteholder could compel the Company as guarantor of the Notes to grant it an option to convert the value of the notes to ordinary shares in either the Company or ordinary shares in the Company's subsidiary, Golden Agri-Resources Limited ("GAR") only (the "Second Option"). However, an agreed limitation to the grant of any such option would be that in the event the Noteholder elects to convert the Notes to ordinary shares in GAR only and such conversion results in dilution of the Company's ownership in GAR to below 51%, then the option to convert the Notes to ordinary shares in GAR lapses automatically and the Noteholder may only convert the Notes to ordinary shares in the Company.

On 16 May 2001, the Company received a letter from the Noteholder alleging non-compliance of the terms of the Notes by AIAR. If substantiated, the Company as guarantor would become directly liable for the liabilities under the Notes.

As part of the Debt Restructuring of the Company, on 15 August 2002 the Notes were transferred to an investor (the "Investor"). As a condition to the transfer, the Investor agreed to restructure repayment under the Notes in consideration for the terms of the Notes being amended such that the Company and not AIAR is directly responsible to the Investor for the liabilities under the Notes. It was further agreed that, among other things, reference in the Notes to the First Option and to the Profit Test be deleted, and for the grant of the Second Option to be at latest on either 1 March 2004 or, if agreed, 1 March 2005 (the "Revised Option"). The exercise price of the Revised Option would be based on the average trading value of either the Company's share price or GAR's share price (as the case may be) as quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST") Main Board 30 days prior to conversion. Alternatively, the Investor may surrender the Revised Option to AFP for a cash consideration of US$17.8 million.

20 Unissued Shares Under Option (cont'd)

(b) P.T. Paraga Artamida

In June 1998, a subsidiary, P.T. Paraga Artamida, issued Zero Percent Unsecured Convertible Bonds due 2003 (the "Bonds") amounting to US$138,492,000 to its shareholders or their assignees. The Bonds are redeemable on 18 June 2003 for the principal sum of US$138,492,000 unless previously redeemed, converted or purchased and cancelled by the subsidiary. The Bonds are convertible between 18 June 1998 and 14 June 2003 into new ordinary shares of IDR1,000 each in the capital of the subsidiary at the conversion ratio of 15 ordinary shares of IDR1,000 each for every US$1,000 Bonds held. In January and April 2002, the Bonds have been converted from the outstanding balance of the Bonds amounting to US$137,642,000 into Rp1,431,440,873,350. These Bonds are now convertible at the option of the holder from 54 months after the date of the issuance to 10 days prior to the fifth anniversary of the date of the issuance into new ordinary shares of the subsidiary at an exercise price based on 70% of the net tangible asset of the subsidiary at the exercise date. During the financial year, no Bonds were redeemed and cancelled by the subsidiary. At the end of the financial year, the outstanding balance of the Bonds amounted to Rp1,431,440,873,350.

(c) Palm Resort Berhad

In 1998 and 1999, a subsidiary, Palm Resort Berhad, issued 87,856,042 Redeemable Cumulative Convertible Preference Shares ("RCCPS") of par value of RM0.01 each to its shareholders or their assignees at a subscription price of RM1.00 each in consideration for cash. Each RCCPS entitles the holder to subscribe for one new ordinary share of RM1.00 each in Palm Resort Berhad. The RCCPS carry a cumulative dividend rate of five percent per annum and rank in priority in repayment of capital and contributed share premium to holders of ordinary shares. At any time on or after the date falling five years from the issue date of the RCCPS, the subsidiary may require the preference shareholders to convert all or part of their preference shares into ordinary shares. At the beginning of the financial year, the number of new ordinary shares of RM1.00 each of Palm Resort Berhad which can be converted from these RCCPS were 87,856,042. During the financial year, no RCCPS were converted. At the end of the financial year, the number of new ordinary shares of RM1.00 each of Palm Resort Berhad which can be converted from these RCCPS were 87,856,042.

21 Corporate Governance

Asia Food & Properties Ltd ("AFP" or the "Company") recognises the importance and is committed to attaining high standards of corporate governance in conformity with the Code of Corporate Governance (the "Code") issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"). This Report outlines AFP's corporate governance processes and activities.

The Board of Directors

Presently, the Board comprises 10 directors with 5 executive directors and 5 non-executive directors of whom 4 are independent directors. The names and key information of the directors are set out in pages 6 to 9 of the Annual Report.

The Board meets to consider the following corporate events and actions:

- approval of results announcements;
- approval of the annual report and accounts;
- convening of shareholders' meetings;
- material acquisitions and disposal of assets;
- annual budgets;
- interested person transactions; and
- corporate governance.

21 Corporate Governance (cont'd)

Other matters are delegated to the various Board Committees set up by the Board, which act within their respective terms of references as approved by the Board. See paragraph on Board Committees below.

The Board held 6 meetings during the year under review. The Company's Articles of Association provides for meetings of the Board by means of teleconference or similar communication equipment.

The attendance of the directors at meetings of the Board and Board Committees during the year are as follows:

	AFP Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meeting attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Franky Oesman Widjaja* (executive)	6	6	-	-	1	1	-	-
Muktar Widjaja (executive)	6	5	-	-	-	-	-	-
Frankle (Djafar) Widjaja** (executive)	6	5	-	-	-	-	1	1
Simon Lim*** (executive)	6	2	-	-	-	-	-	-
Tan Siauw Liang (executive)	6	5	-	-	-	-	-	-
Kunihiko Naito (non-executive)	6	1	-	-	-	-	-	-
Lew Syn Pau* (non-executive, independent)	6	6	9	9	1	1	-	-
Hong Hai* (non-executive, independent)	6	6	9	8	1	1	-	-
Hong Pian Tee** (non-executive, independent)	6	6	9	9	-	-	1	1
Foo Meng Kee** (non-executive, independent)	6	6	9	9	-	-	1	1

* Messrs Franky Oesman Widjaja, Lew Syn Pau and Hong Hai were appointed to the Nominating Committee on 8 April 2002

** Messrs Frankle (Djafar) Widjaja, Hong Pian Tee and Foo Meng Kee were appointed to the Remuneration Committee on 8 April 2002

*** Mr Simon Lim was appointed as a director on 2 August 2002

Newly appointed non-executive directors are briefed on the Group's businesses and operations. Familarisation visits were also organised for these directors to facilitate a better understanding of the Group's operations. Where relevant, directors were sent for courses offered by the Singapore Institute of Directors.

The Board examines its size annually, and comprises directors from different industries, with vast experience and knowledge. There is a strong and independent element on the Board, with independent directors making up more than one-third of the Board.

We believe that the independent directors have demonstrated high commitment in their roles as directors and have ensured that there is a good balance of power and authority. Moreover, there has been agreement among the independent directors to appoint the Chairman of the Audit Committee, Mr Lew Syn Pau, as a Lead Independent Director in view of the Chairman and Chief Executive Officer posts being held by the same person.

21 Corporate Governance (cont'd)

The Board Committees

Particulars of the various Committees set up by the Board are as follows:

(i) Executive Committee

All the 5 executive directors are on the Executive Committee ("EC") which comprises the following members:

Group A
Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja

Group B
Simon Lim
Tan Siauw Liang

The EC's role includes supervising the management of the business and affairs of the Group.

(ii) Audit Committee

The Audit Committee ("AC") comprised 4 members; all non-executive directors and all of whom including the chairman, are independent. Members of the AC are as follows:

Lew Syn Pau (Chairman)
Hong Hai
Hong Pian Tee
Foo Meng Kee

The AC held 9 meetings during the year under review. Attendance of members are shown in the above paragraphs.

The AC has the explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings. Reasonable resources are made available to enable it to discharge its functions properly.

The duties of the AC include keeping under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the company, the AC keeps the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money.

In performing its functions, the AC met with the internal and external auditors, and reviewed the overall scope of both internal and external audits, and the assistance given by Management to the auditors. The AC also meets with the internal and external auditors without the presence of Management. The internal and external auditors have unrestricted access to the AC.

During the course of the audit, the external auditors carried out a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during their audit are reported to the AC together with their recommendations. The AC has reviewed the Group's risk assessment, and, based on the audit reports and management controls in place, is satisfied that there are adequate internal controls in the Group.

21 Corporate Governance (cont'd)

In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board. In particular, it reviews with Management, and where relevant, the auditors, the results announcements, annual report and accounts, interested person transactions and corporate governance, before submission to the Board for approval or adoption. The AC also reviews audit plans, and the co-operation and assistance given by Management to the external auditors.

The AC reviews the independence and objectivity of the external auditors and recommends to the Board of Directors, the nomination of external auditors.

The Chief Internal Auditor's primary line of reporting is to the chairman of the AC, although he also reports administratively to the Chief Executive Officer. The Chief Internal Auditor has met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. It also ensures the adequacy of the internal audit function.

(iii) Nominating Committee

The Nominating Committee ("NC") comprises 3 members as follows. A majority of its members including the chairman, are independent:

Hong Hai (Chairman)
Lew Syn Pau
Franky Oesman Widjaja

The NC met once during 2002 after it was established on 8 April 2002. Attendance of members are shown in the above paragraphs.

The role of the NC is to establish a formal and transparent process for the Company, for the appointment of new directors and re-nomination and re-election of directors at regular intervals. Except for the director holding the position of Chief Executive Officer, all directors are to submit themselves for re-election at regular intervals.

The NC also assesses the effectiveness of the Board as a whole, and the contribution of each director to the effectiveness of the Board. In proposing objective performance criteria for such evaluation and determination, for the Board's approval, consideration is given to a number of factors, including those set out in the Code. The Board has approved specific objective performance criteria for such evaluation, which does not include the financial indicators as set out in the Code. The evaluation of each director by the NC is based on his performance as a director and not in his executive function. Therefore we believe that such financial indicators should not form part of the performance criteria for such evaluation.

The Board adopts the independence test recommended by the Code. Taking into account the independence test, the NC considers and determines the independence of directors.

(iv) Remuneration Committee

The Remuneration Committee ("RC") comprises 3 members, a majority of whom are non-executive directors. The position of chairman is held by an independent non-executive director. Its members are as follows:

Hong Pian Tee (Chairman)
Foo Meng Kee
Frankle (Djafar) Widjaja

The RC met once during 2002 after it was established on 8 April 2002. Attendance of members are shown in the above paragraphs.

21 **Corporate Governance** (cont'd)

The RC's role is to review and recommend to the Board, an appropriate and competitive framework of remuneration or compensation policy for the Board, key executives and employees within the Group.

Currently, the Company does not have long-term incentive schemes, including share schemes. Detailed public disclosure of the directors and key executives' remuneration is currently not adopted.

The number of directors falling under the remuneration bands of S$250,000 are as follows:

	Number of Directors	
Remuneration Band	2002	2001
S$750,000 to S$999,999	1	-
S$500,000 to S$749,999	2	3
S$250,000 to S$499,999	3	2
Below S$250,000	7	10
Total	13	15

Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, Management provides the Board with complete, adequate information in a timely manner. Such information extend to documents on matters to be brought up before the Board at board meetings. Senior staff and professionals who can provide additional insights into the matters to be discussed at board meetings, are also invited to be present at meetings. As directors may have further enquiries on the information provided, they have separate and independent access to the Company's senior management.

With the introduction of quarterly reporting, Management will provide the Board with financial statements of the Group on a quarterly basis. In view of the Group's size and nature of operations, such quarterly, and not monthly, reporting is considered adequate.

The directors also have separate and independent access to the company secretary who attends all board meetings. Where the directors, either individually or as a group, in the furtherance of their duties, require professional advice, the company secretary can assist them in obtaining independent professional advice, at the Company's expense.

Communication with Shareholders

The Company will adopt quarterly results reporting from 2003. All information and its quarterly results are disseminated via MASNET.

The Company does not practise selective disclosure. Results and annual reports are announced or issued within the mandatory period.

All shareholders of the Company receive the annual report and notice of annual general meeting. The notice is also advertised in the local newspapers. At the annual general meeting, shareholders are given the opportunity to air their views and ask directors or management questions regarding the Company.

The Articles of Association of the Company allow a member of the Company to appoint one or two proxies to attend and vote instead of the member.

Dealings in Securities

The Company has adopted the SGX-ST Best Practices Guide, applicable to its directors and officers, in relation to dealings in the Company's securities. Dealings in the Company's securities are prohibited during the period commencing one month before the announcement of the Company's results and ending on the date of the announcement of the results. Such dealings are also prohibited whilst in possession of unpublished material price-sensitive information.

22 Interested Person Transactions Disclosure

Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 before 1 July 2002 (excluding transactions less than S$100,000) is S$347,422,114.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review after 1 July 2002 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920) S$	Aggregate value of all interested person transactions conducted under shareholders' mandate* pursuant to Rule 920 after 1 July 2002 (excluding transactions less than S$100,000) # S$
Ningbo Asia Unpolluted Paper Products Co Ltd	2,832,244	Nil
Sinar Mas Paper (China) Investment Co Ltd	Nil	4,698,273
P.T. Global Agronusa Indonesia@	Nil	851,548
P.T. Harapan Anang Bakri & Sons	Nil	5,826,450
P.T. Intercipta Kimia Pratama	Nil	157,289
Total	**2,832,244**	**11,533,560**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review after 1 July 2002 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920) S$	Aggregate balances as at 31 December 2002** S$
BII Bank Ltd, Cook Islands#	Nil	53,118,000
Bank International Ningbo	Nil	17,820,455
Total	**Nil**	**70,938,455**

@ Ceased as an interested person.

* Renewed at Annual General Meeting on 31 May 2002.

** This refers to the placement of deposits with interested persons as at 31 December 2002. There was no placement of further or fresh deposits with BII Bank Ltd, Cook Islands during the year; transactions comprised only roll-overs of deposits and its accrued interest thereon. No disclosure is made of the aggregate value of these transactions conducted during the financial year as it is not practicable to determine these aggregate value since these transactions involve numerous roll-over of placements.

\# The amounts under Golden Agri-Resources Ltd ("GAR") Group are separately disclosed in the GAR Financial Year 2002 Annual Report.

23 Key Management Staff

The key management staff are also directors of the Company, and their background information are set out in pages 6 to 9 of the Annual Report.

24 Auditors

Moore Stephens retire, and being eligible, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors

FRANKY OESMAN WIDJAJA
Director

SIMON LIM
Director

11 April 2003

ASIA FOOD & PROPERTIES LIMITED

STATEMENT BY DIRECTORS
31 DECEMBER 2002

In the opinion of the directors, the accompanying financial statements of the Company and the consolidated financial statements of the Group set out on pages 21 to 102 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2002 and of the results of the business, of equity changes of the Company and of the Group and cash flows of the Group for the financial year then ended.

The Company and the Group are currently in negotiation with lenders to reschedule the loan facilities and at the date of this statement, in the opinion of the directors, the successful re-negotiation of the terms of the loan facilities is necessary to allow the Company and the Group to meet contingent liabilities and other liabilities which have become enforceable or are likely to become enforceable within the period of twelve months after the end of the financial year and which will or may substantially affect the ability of the Company and the Group to meet its obligations as and when they fall due.

In addition, the matters referred to in Note 46 of the accompanying financial statements may also affect the ability of the Company and the Group to meet its obligations.

On behalf of the Board of Directors

FRANKY OESMAN WIDJAJA
Director

SIMON LIM
Director

11 April 2003

REPORT OF THE AUDITORS TO THE MEMBERS OF

ASIA FOOD & PROPERTIES LIMITED

1. We were engaged to audit the financial statements of Asia Food & Properties Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2002 set out on pages 21 to 102. These financial statements are the responsibility of the Company's directors.

2. Except as discussed in the following paragraphs, we conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation.

3. Subsidiary Companies

    a) The independent auditors' report on the financial statements of a subsidiary company, Golden Agri-Resources Limited contained an "except for" opinion. The "except for" opinion was brought forward from its subsidiary company, P.T. Purimas Sasmita ("Purimas"). Purimas and certain subsidiaries have defaulted in payments on various loan agreements. Accrued interest has been recognised and partial interest payments have been made in 2002, only up to the extent of the interest rates proposed by the Group's management to its creditors, which are lower than the interest rates provided in the original loan agreements. In addition, Purimas and certain subsidiaries did not record penalties arising as a result of the abovementioned event of default, which is required under the loan agreements. The underaccrued interest and unrecorded penalties based on the original loan agreements and confirmations received from creditors, amounted to an aggregate amount of approximately US$7.8 milllion (equivalent to $13.5 million).

       Had Purimas recognised the underaccrued interest and unrecorded penalties, Group profit before tax would have decreased by $13.5 million.

    b) The independent auditors' report on the financial statements of a subsidiary company, AFP Land Limited contained an "except for" opinion. The "except for" opinion was brought forward from its subsidiary company. As at 31 December 2002, the Comptroller of Income Tax ("CIT") has assessed the subsidiary additional income tax totalling $7,545,000 for gains on disposal of investment properties for the financial years ended 1998 and 1999. The subsidiary has paid $5,003,000 of the additional tax assessments and these payments are recorded as a recoverable amount from CIT in the balance sheet. In addition, the subsidiary may be liable for additional tax assessments on similar gains on disposals for the financial years ended 2000, 2001 and 2002 amounting to $5,373,000. No provision has been made in the financial statements for the maximum potential tax exposure of $12,918,000. The subsidiary has objected to the additional assessments raised by the CIT. We are currently unable to ascertain the outcome of the objection and accordingly are uncertain as to the quantum of provision, if any, required for the possible tax liability of $12,918,000.

4. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matters referred to in the preceding paragraphs:

a) the accompanying financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap 50 ("the Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

i) the state of affairs of the Company and of the Group as at 31 December 2002 and of the results and changes in equity of the Company and of the Group and cash flows of the Group for the year ended on that date; and

ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and in the consolidated financial statements.

b) the accounting and other records, and the registers required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

5. We have considered the financial statements and auditors' report of all the subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of the subsidiaries are stated in Note 47 to the financial statements.

6. Except for the matters referred to in paragraph 3 above, we are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

7. The auditors' report on the financial statements of subsidiaries were not subject to any qualification and in respect of the subsidiaries incorporated in Singapore did not include any comment made under section 207(3) of the Act except for Golden Agri-Resources Limited and AFP Land Limited whose auditors' report on the financial statements was qualified on the matters referred to in paragraph 3(a) and 3(b) above respectively.

8. Fundamental Uncertainties

Without qualifying our opinion, we draw attention to Note 46 to the financial statements which explains the fundamental uncertainties affecting the Group and they are summarised as follows:

(a) A substantial part of the Group's assets and operations are located in Indonesia. The Indonesian economy is sensitive to domestic social and political events as well as regional factors. The Group's operations have been affected and may continue to be affected, for the foreseeable future, by the economic conditions in Indonesia. At the date of this report it is not possible to determine how the economic and other developments in Indonesia will impact the Group's operations in the future.

(b) The Group has current accounts and time deposits with BII Bank Limited, a related party, amounting to US$233,828,000 (equivalent to $405,691,000) at 31 December 2002 [2001:US$263,146,000 (equivalent to $487,873,000)]. BII Bank Limited has undertaken to repay the amount outstanding over a five year period which commenced from May 2001. In addition to this undertaking a security package has been obtained pledging direct and indirect interests in 42.5% of the shares in two project companies which are involved in a property development in Indonesia and includes the assignment of loans amounting to ¥27,397,291,582 (equivalent to approximately $390,375,000) as at the date of the assignment made to the project companies by a company related to the Group.

The security package which includes the assigned loans has been appraised at a value of US$249,000,000 (equivalent to $432,015,000) as at 1 August 2002, with a future value of US$1,450 million (equivalent to $2,516 million) at the completion date in 2020. Reliance on the appraisal report is however subject to inherent limitations on which such estimates are based. Furthermore the assets contained in the security package are located in Indonesia and the realisation of these assets are therefore subject to the risks referred to in paragraph (a) above.

(c) Certain subsidiaries within the Group have defaulted in payments which resulted in loans amounting to $472,346,000 million subject to restructuring negotiations. Subsequent to the year end a subsidiary company has successfully renegotiated repayment terms with a lender in respect of $40,238,000, the effect of which is to reduce the amount of loans subject to restructuring negotiations at the date of this report to $432,108,000. Furthermore, the Group have received support letters from lenders for a further $63,596,000 of outstanding loans indicating that they will not serve demand notices on the Group pending final negotiations.

Notwithstanding the above, in the event that pending negotiations are unsuccessful the lenders have the right to recall the outstanding loans immediately upon serving a notice of default to the borrowing subsidiaries concerned.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome of the matters referred to above. The consolidated financial statements do not include any adjustments that would be necessary if the Group was unable to continue as a going concern.

9. The consolidated financial statements for the financial year ended 31 December 2001 were audited by Deloitte & Touche, Singapore who issued a disclaimer opinion on 30 April 2002. An update of significant matters that gave rise to their disclaimer opinion in respect of the 31 December 2001 financial statements is as follows:

(a) Credit and risk exposures with BII Bank Limited

- There were significant uncertainties concerning the ability of BII Bank Limited to repay the amounts due under time deposits and current accounts. The then auditors were unable to opine whether the security package would be sufficient to fully cover the time deposits and current accounts of the AFP Group as at year end. Certain conditions precedent in the restructuring deed had not been fufilled.

As disclosed in Note 46 to the financial statements, during the current financial year, US$29 million (equivalent to $51 million) has been repaid in accordance with the rescheduled repayment terms. The value of the security package has increased and is in excess of the value of time deposits and current accounts of the AFP Group as at 31 December 2002. The conditions precedent in the restructuring deed have been fulfilled in the current financial year.

Notwithstanding the above, there is still a degree of uncertainty surrounding the future recoverability of the current accounts and time deposits. Further reference is made in paragraph 8(b) of our auditors' report.

(b) Loan defaults and breaches of loan covenants

- Certain subsidiaries in the Group had defaulted in payments and breached loan covenants of existing as well as restructured loan agreements. The then auditors noted that the Directors were negotiating with the lenders to the Group for waiver of these breaches and defaults and for extension of terms and accordingly stated it was not possible to determine the eventual outcome of the negotiations.

As disclosed in Note 46 to the financial statements, the balance of loans subject to restructuring negotiations has declined from $803,721,000 as at 31 December 2001 to $472,346,000 as at 31 December 2002. Subsequent to the year end a subsidiary company successfully renegotiated repayment terms with a lender in respect of $40,238,000 which had been included in current liabilities as at the year end. The group also received support letters from lenders for amounts outstanding of $63,596,000 stating they would not demand repayment while negotiations were ongoing.

Notwithstanding the above, the amount outstanding that has not been negotiated at the date of this report is $432,108,000. In the event that negotiations are unsuccessful, these loans are payable on demand. Whilst the quantum of uncertainty surrounding loan defaults is less in the current financial year, there is still uncertainty surrounding the remaining balance. Further reference is made in paragraph 8(c) of our auditors' report.

(c) Credit and risk exposures with PT Bank International Indonesia ("PT BII")

- Significant uncertainty relating to the recoverability of time deposits and current accounts of approximately US$4,784,000 (equivalent to $8,300,000) with PT BII, a related party.

PT BII is no longer considered a related party as we understand the company is now a controlled entity of the Indonesian Bank Restructuring Agency ("IBRA"). Time deposits and current accounts held with PT BII are included in cash and cash equivalents in the consolidated balance sheet, as held with third parties, on normal commercial terms.

(d) RP/US$ Principal Only Swaps with BII Bank Limited, a related party, included in the consolidated balance sheet at an aggregate carrying amount of US$45million (equivalent to $78 million).

- Significant uncertainty with regard to the carrying value of the swap contracts and the ability of BII Bank Limited to fulfill its obligations upon the maturity of the swap contracts on 3 July 2003 and 10 July 2002.

During the current financial year, the swap contracts were settled by BII Bank Limited by the transfer to a subsidiary company shares held in two group companies, that were held by a third party.

(e) Unable to perform satisfactory audit procedures to determine whether Nalliwan Trading Ltd and Wake Investments Limited are related parties to the Group.

- Reference was made to the inability of the auditors to perform satisfactory audit procedures to satisfy themselves whether Nalliwan Trading Ltd and Wake Investments Limited are related parties of the Group and the related effects on representations concerning the completeness of disclosure of related party transactions.

Satisfactory evidence has been obtained after the completion of the previous year's audit, that the Group does not have an equity interest in the said two entities.

MOORE STEPHENS
Certified Public Accountants

Christopher Bruce Johnson
Partner

Singapore
11 April 2003

ASIA FOOD & PROPERTIES LIMITED

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Revenue	3	1,838,284	1,467,428	-	38,035
Cost of sales		(1,401,459)	(1,239,138)	-	(39,265)
Gross profit/(loss)		436,825	228,290	-	(1,230)
Operating expenses					
Selling expenses		(96,776)	(83,909)	-	-
General and administrative expenses		(204,010)	(206,290)	(6,156)	(14,215)
		(300,786)	(290,199)	(6,156)	(14,215)
Operating Profit/(Loss)		136,039	(61,909)	(6,156)	(15,445)
Other income /(expenses)					
Finance income	5	44,805	55,728	16,035	11,180
Finance costs	6	(133,354)	(164,143)	(5,645)	(3,612)
Foreign exchange adjustment gain/(loss)		29,106	12,329	(33,235)	35,861
Other operating income	4	29,428	28,866	10,259	8,179
Other operating expenses		(39,214)	(70,092)	(103)	(367)
		(69,229)	(137,312)	(12,689)	51,241
Exceptional items	7	(102,095)	(226,324)	(81,098)	(53,850)
Loss before share of results of associated companies	8	(35,285)	(425,545)	(99,943)	(18,054)
Share of results of associated companies		(21,714)	(40,580)	-	-
Loss before income tax		(56,999)	(466,125)	(99,943)	(18,054)
Income tax	9	(9,113)	(13,299)	166	-
Loss before minority interests		(66,112)	(479,424)	(99,777)	(18,054)
Minority interests		64,469	162,305	-	-
Loss attributable to shareholders		(1,643)	(317,119)	(99,777)	(18,054)
Loss per ordinary share (cents)					
Basic	10	(0.06)	(10.92)		
Fully diluted	10	(0.06)	(10.92)		

See accompanying notes to the financial statements

ASIA FOOD & PROPERTIES LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2002

	Note	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Assets					
Current Assets					
Cash and cash equivalents	13	337,546	302,152	2,639	4,135
Short-term investments	14	14,077	531	-	-
Trade receivables	15	135,893	133,069	41,318	50,582
Other receivables	16	168,994	190,780	604,985	580,353
Inventories	17	198,918	140,232	-	-
Properties held for sale	18	159,128	252,641	-	-
		1,014,556	1,019,405	648,942	635,070
Non-Current Assets					
Subsidiaries	19	-	-	2,379,619	2,441,471
Associated companies	20	290,268	326,038	-	21,383
Joint venture	21	-	-	-	-
Other investments	22	34,628	38,883	36	757
Properties under development for sale	23	505,658	1,098,152	-	-
Property, plant and equipment	24	3,852,310	3,564,591	222	600
Deferred charges	25	7,201	11,240	95	283
Brands and trademarks	26	6,668	7,718	-	-
Deferred income tax	27	17,357	2,885	-	-
Other long term receivables	28	147,080	225,913	270,244	324,079
Goodwill	29	(732)	-	-	-
Cash and cash equivalents	13	405,691	487,873	-	-
		5,266,129	5,763,293	2,650,216	2,788,573
Total Assets		6,280,685	6,782,698	3,299,158	3,423,643

See accompanying notes to the financial statements

	Note	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Liabilities and Equity					
Current Liabilities					
Bank loans and overdrafts	30	883,668	1,255,572	43,375	48,181
Trade payables	31	332,179	281,086	108,798	112,870
Bonds payables	32	65,907	118,706	-	-
Other payables	33	523,750	549,547	6,347	51,280
Obligations under finance leases	34	1,295	1,994	54	108
Income tax payable		22,936	15,825	-	-
		1,829,735	2,222,730	158,574	212,439
Non-Current Liabilities					
Bonds payables	32	70,428	94,418	-	-
Obligations under finance leases	34	331	363	-	68
Long-term debts	35	799,507	553,824	30,946	-
Other long-term payables	36	30,894	25,543	-	-
		901,160	674,148	30,946	68
Minority interests		1,277,803	1,499,791	-	-
Capital and Reserves					
Issued capital	37	2,902,982	2,902,982	2,902,982	2,902,982
Share premium		125,888	125,888	125,888	125,888
Foreign currency translation (deficit)/reserve		(609,734)	(491,713)	17,420	25,419
Goodwill on consolidation		(12,752)	(13,048)	-	-
Option reserve		12,516	7,873	6,278	-
Asset revaluation reserve		683	-	-	-
Accumulated (losses)/profits		(151,960)	(150,317)	57,070	156,847
Legal reserves		4,364	4,364	-	-
Net equity	10	2,271,987	2,386,029	3,109,638	3,211,136
Total Liabilities and Equity		6,280,685	6,782,698	3,299,158	3,423,643

See accompanying notes to the financial statements

ASIA FOOD & PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2002

	Capital Reserves						Revenue Reserves		
	Issued Capital	Share Premium	Foreign currency translation deficit	(Goodwill) Reserve on consolidation	Option reserve	Other reserve	Accumulated (losses)	Legal Reserves	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Balance at 1 January 2002	2,902,982	125,888	(491,713)	(13,048)	7,873	-	(150,317)	4,364	2,386,029
Foreign currency translation arising during the year	-	-	(118,021)	-	-	-	-	-	(118,021)
Reserve arising from acquisition of additional interest in subsidiaries	-	-	-	(27)	-	-	-	-	(27)
Equity portion of bonds/ long term debts	-	-	-	-	4,643	-	-	-	4,643
Reserve arising from disposal of subsidiary	-	-	-	323	-	-	-	-	323
Asset revaluation reserve	-	-	-	-	-	683	-	-	683
Net (loss)/gain not recognised in the profit and loss statement	-	-	(118,021)	296	4,643	683	-	-	(112,399)
Loss attributable to shareholders	-	-	-	-	-	-	(1,643)	-	(1,643)
Balance at 31 December 2002	2,902,982	125,888	(609,734)	(12,752)	12,516	683	(151,960)	4,364	2,271,987

See accompanying notes to the financial statements

	Capital Reserves						Revenue Reserves		
	Issued Capital	Share Premium	Foreign currency translation deficit	(Goodwill) Reserve on consolidation	Option reserve	Other reserve	Accumulated profits/ (losses)	Legal Reserves	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Balance at 1 January 2001 (restated)	2,902,982	125,888	(604,584)	(25,553)	6,237	-	166,802	4,364	2,576,136
Foreign currency translation arising during the year	-	-	112,871	-	-	-	-	-	112,871
Reserve arising from acquisition of subsidiaries and acquisition of additional interest in subsidiaries	-	-	-	-	1,636	-	-	-	1,636
Adjustment to fair value of net assets of associated companies acquired in prior years	-	-	-	12,505	-	-	-	-	12,505
Net gain not recognised in the profit and loss statement	-	-	112,871	12,505	1,636	-	-	-	127,012
Loss attributable to shareholders	-	-	-	-	-	-	(317,119)	-	(317,119)
Balance at 31 December 2001	2,902,982	125,888	(491,713)	(13,048)	7,873	-	(150,317)	4,364	2,386,029

See accompanying notes to the financial statements

	Capital Reserves			Revenue Reserves		
	Issued Capital S$'000	Share Premium S$'000	Foreign currency translation deficit S$'000	Accumulated Profits S$'000	Option Reserve S$'000	Total S$'000
Company						
Balance at 1 January 2001 (restated)	2,902,982	125,888	17,350	174,901	-	3,221,121
Foreign currency translation arising during the year	-	-	8,069	-	-	8,069
Net gain not recognised in the profit and loss statement	-	-	8,069	-	-	8,069
Loss attributable to shareholders	-	-	-	(18,054)	-	(18,054)
Balance at 1 January 2002	2,902,982	125,888	25,419	156,847	-	3,211,136
Foreign currency translation arising during the year	-	-	(7,999)	-	-	(7,999)
Net loss not recognised in the profit and loss statement	-	-	(7,999)	-	-	(7,999)
Equity portion of long-term debts	-	-	-	-	6,278	6,278
Loss attributable to shareholders	-	-	-	(99,777)	-	(99,777)
Balance at 31 December 2002	2,902,982	125,888	17,420	57,070	6,278	3,109,638

See accompanying notes to the financial statements

ASIA FOOD & PROPERTIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 S$'000	2001 S$'000
Cash flows from operating activities		
Loss before income tax	(56,999)	(466,125)
Adjustments for:		
Depreciation	191,353	185,945
Interest expense	133,354	164,143
Amortisation expenses	7,398	41,069
Allowance for inventories	405	1,517
Allowance for doubtful trade and non-trade receivables	2,421	2,053
Loss (net of gain) on disposal of property, plant and equipment	6,498	3,376
Loss on sale of investment properties	-	3,611
(Gain)/Loss on sale of short-term and long-term investment	(206)	47
Loss on disposal of associated companies	-	2,317
Loss on disposal of subsidiaries	12,061	-
Property, plant and equipment written off	4,317	4,800
Share of results of associated companies and joint venture	21,714	40,580
Impairment loss on assets	82,124	226,324
Negative goodwill recognised in profit and loss	-	(3,367)
Interest income	(44,805)	(55,728)
Operating profit before working capital changes	359,635	150,562
Short-term investments	12	615
Trade receivables	(6,581)	(19,235)
Other receivables	(9,694)	(2,997)
Inventories	(59,454)	55,389
Trade payables	51,157	13,904
Other payables	(20,400)	84,675
Cash generated from operations	314,675	282,913
Interest paid	(133,612)	(143,719)
Interest received	44,675	69,823
Income tax paid	(21,276)	(26,778)
Net cash generated from operating activities	204,462	182,239

See accompanying notes to the financial statements

	2002 S$'000	2001 S$'000
Cash flows used in investing activities		
Acquisition of subsidiaries, net of cash acquired (Note A)	(358)	2,183
Disposal of subsidiaries, net of cash disposed (Note B)	7,509	-
Additional investment in associated companies	(11,400)	(1,049)
Disposal of property, plant and equipment	25,395	24,784
Purchase of property, plant and equipment	(55,425)	(258,191)
Deferred expenditure	893	(8,230)
Properties under development and held for sale	(47,533)	19,057
Other long-term investments	6,973	8,404
Withdrawals from a related party bank	46,658	11,272
Disposal of associated companies	-	1,541
Net cash used in investing activities	(27,288)	(200,229)
Cash flows (used in)/from financing activities		
Repayment of bank loans	(12,148)	(41,400)
Long-term receivable	(9,482)	38,228
Long-term payable	12,322	1,135
Obligations under finance leases	(731)	(928)
Repayments of bonds	(44,120)	(26,436)
Net cash used in financing activities	(54,159)	(29,401)
Net effect of exchange rate changes in consolidating overseas subsidiaries	(84,907)	11,934
Net increase/(decrease) in cash and cash equivalents	38,108	(35,457)
Cash and cash equivalents at the beginning of the year	299,287	334,744
Cash and cash equivalents at the end of the year (Note C)	337,395	299,287

See accompanying notes to the financial statements

Notes to the consolidated cash flow statement

A. Summary of the effects of acquisition of subsidiaries:

	2002 S$'000	2001 S$'000
Cash	267	2,183
Other current assets	14	10,332
Current liabilities	-	(9,459)
Net current assets	281	3,056
Non-current assets	557	97,318
Non-current liabilities	-	(56,395)
Minority interest	-	(25,319)
Reclassification of investment in associated company to a subsidiary	-	(15,127)
Adjustment to fair value of net assets of associated companies acquired in prior years	-	(3,533)
Goodwill on acquisition of subsidiaries	(213)	-
Total purchase consideration discharged by cash	625	-
Less: Cash of acquired subsidiaries	(267)	(2,183)
Net cash inflow (outflow) on acquisition of subsidiaries	358	(2,183)

B. Summary of the effects of disposal of subsidiaries:

	2002 S$'000	2001 S$'000
Cash	244	-
Other current assets	4,029	-
Current liabilities	(2,673)	-
Net current assets	1,600	-
Non-current assets	25,745	-
Non-current liabilities	(7,542)	-
Goodwill on consolidation	304	-
Translation reserve movement	348	-
Loss on disposal of subsidiaries	(12,702)	-
Proceeds from disposal of subsidiaries	7,753	-
Less: Cash of disposed subsidiaries	(244)	-
Net cash inflow on disposal of subsidiaries	7,509	-

C. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and comprise the following:

	2002 S$'000	2001 S$'000
Cash	222,028	207,685
Time deposits	521,209	582,340
Bank overdrafts (Note 30)	(151)	(2,865)
	743,086	787,160
Less: Cash and cash equivalents and time deposits to be repaid over 5 years [Note 46(b)]	(405,691)	(487,873)
	337,395	299,287

See accompanying notes to the financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1 General

The Company is incorporated in the Republic of Singapore with its registered office and principal place of business at 3 Shenton Way, #17-03 Shenton House, Singapore 068805. The financial statements are expressed in Singapore dollars.

The Company is principally engaged as an investment holding company. It also acts as the operational headquarters for the group of companies in the region. The principal activities of the subsidiaries and associated companies are described in Notes 47 and 48 to the financial statements.

The financial statements of the Company and of the Group for the year ended 31 December 2002 were authorised for issue by the Board of Directors at their meeting held on 11 April 2003.

2 Summary of Significant Policies

(I) Accounting Policies

(a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of certain assets and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard (SAS).

As part of the Restructuring Exercise in 1997 whereby the Company acquired from the Sinar Mas Group its subsidiaries and associated companies ("Restructuring Exercise"), certain plant and equipment, and properties held for development and sale have been revalued by independent professional valuers as at September 30, 1996. The Group does not have a fixed policy on the frequency of revaluation except for investment properties details of which are set out under subparagraph (q) "Investment Properties" below.

The Company has adopted SAS 12 (Revised 2001), Income Taxes, which became effective for the current financial year. The adoption of this revised SAS does not affect the results of current or prior years.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. The results of the subsidiaries acquired or disposed during the year are included or excluded from the consolidated financial statements from the effective date of acquisition or disposal.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiaries and associated companies at the date of acquisition. Negative goodwill represents the excess of fair value of the Group's share of the net assets acquired over the cost of acquisition.

2 Summary of Significant Policies (cont'd)

(I) Accounting Policies (cont'd)

(b) Basis of Consolidation (cont'd)

The Group adopted SAS 22 - Business Combinations to amortise goodwill over twenty years. Goodwill on acquisition arising prior to January 1, 2001 has been charged in full to the shareholders' equity; such goodwill has not been retrospectively capitalised and amortised, as allowed under revised SAS 22 - Business Combination. The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of, or for acquisitions prior to January 1, 2001, the goodwill charged to shareholders' equity.

Negative goodwill is presented as the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that can be reliably measured, but do not represent identifiable liabilities, the portion of negative goodwill is recognised in the profit and loss statement when the future losses and expenses are incurred. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss statement over the remaining weighted average useful lives of those assets. Negative goodwill in excess of the fair value of those assets is recognised in the profit and loss statement immediately.

All material inter-company transactions and balances are eliminated on consolidation.

The profit and loss statements of foreign subsidiaries are translated into Singapore dollars using the average exchange rates for the year. The balance sheets of foreign subsidiaries are translated into Singapore dollars at the approximate exchange rates ruling on the balance sheet date. All foreign exchange adjustments are taken directly to reserves.

(c) Property, Plant and Equipment

Property, plant and equipment are carried at cost or valuation referred to in subparagraph (a) above, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost and valuation of assets, other than freehold land, immature plantations and nurseries, using the straight-line method, over the following useful lives:

		No. of years
Freehold buildings	-	20 to 50
Leasehold land and buildings	-	20 to 50
Storage tanks, land improvement and bridges	-	20 to 50
Plant, machinery and equipment	-	4 to 25
Motor vehicles, furniture and fixtures	-	4 to 10
Mature plantations		
- Tea plantations	-	50
- Oil palm plantations	-	25
- Other plantations	-	25

Landrights which have finite economic lives are amortised over the terms of the landrights, which range from 25 years to 35 years. Amortisation commences upon obtaining regulatory approval from the relevant authorities.

Immature plantations are stated at cost and valuation referred to in subparagraph (a) above. These consist mainly of the accumulated cost of planting, fertilising and maintaining the plantation, including borrowing costs and foreign exchange losses on such borrowings and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate. An oil palm plantation is considered mature when such plantation starts to produce at the beginning of fourth year. The tea plantation is considered matured if the tea plants are three years old.

Costs incurred in the preparation of the nursery, purchase of seedlings and their maintenance are stated at cost. The accumulated costs will be transferred to immature plantation at the time of planting.

2 Summary of Significant Policies (cont'd)

(I) Accounting Policies (cont'd)

(c) Property, Plant and Equipment (cont'd)

The property, plant and equipment under construction are stated at cost and are included in the balance sheet until such time as they are completed and are identified for transfer to a specific category of fixed assets. Cost comprises all direct costs incurred in relation to their construction, purchase of plant and machinery and, where applicable, financing costs and foreign exchange losses arising from borrowing used to finance the construction of property until the construction is completed. Construction in progress is not depreciated until completion.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a finance charge which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to profit and loss statements in equal annual amounts over the period of the leases.

The gain or loss on sale and leaseback transactions is recorded as deferred gain or loss and is amortised using the straight-line method over the estimated useful lives of the leased assets.

(e) Capitalisation of Interest and Other Financial Charges

Certain subsidiaries capitalise borrowing costs, including interest and other financial charges on debt used to finance the construction of factories, expansion of plantations, construction of fixed assets and development of properties. Capitalisation ceases when substantially all the activities necessary to prepare the related assets for their intended use or sale are completed. The capitalised costs are depreciated over the same periods and on the same basis as the underlying assets.

(f) Retirement Benefit Costs

Certain subsidiaries have defined benefit retirement plans covering substantially all of their qualified permanent employees. Costs are funded and consist of actuarially computed contributions, including past service costs which are amortised over the average expected remaining working lives of existing employees. The retirement plan obligations are accounted for using the projected unit credit method. Under the projected unit credit method, the cost of providing this pension is charged to profit and loss statements so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out an independent valuation of the plan on an annual basis. The pension obligation is measured as the present value of the estimated future cash flows.

Payments made to state-managed retirement benefits schemes are dealt with as payments to defined contribution plans where the company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

2 **Summary of Significant Policies** (cont'd)

(I) Accounting Policies (cont'd)

(g) Deferred Charges

Deferred charges are stated at cost less amortisation and comprise:

i) Bonds issue expenses which are amortised over the period of the bonds;

ii) Share issue expenses for certain subsidiaries which are amortised over five to ten years;

iii) Loan charges and long-term loan administration expenses for obtaining long-term bank loans which are amortised over three years or over the period of the loan, whichever is shorter;

iv) Gain or loss on sale and leaseback transactions is deferred and amortised over the remaining useful life of the leased asset using the straight-line method.

(h) Research and Product Development Expenditure

Research and product development expenditure is charged to the profit and loss statement in the year in which it is incurred.

(i) Revenue Recognition

i) Revenue from the sale of properties held for sale such as houses, shops and other similar buildings is recognised using the completed contract method.

Revenue from the sale of properties held for sale which are completed in more than one year (apartments and shopping centres) are recognised by reference to the stage of completion of the contract activity at the balance sheet date.

Revenue from the sale of land wherein the buildings are constructed by customers without involvement by the Group, is recognised when the Group's equitable interest in the land has been transferred to the customer as the development of the environment is complete and the Group is not obliged to perform any significant acts after the transfer of equitable interest.

During the course of the development, all payments received from customers for the purchase of properties are recorded as advances received.

ii) Rental income from investment properties is recognised over the term of the lease contract.

iii) Hotel room revenue is recognised based on room occupancy while other hotel revenues are recognised when the goods are delivered or the services are rendered to the customers.

iv) Revenue arising from the export sale of goods is recognised when the products are shipped. For domestic sales of goods, revenue is recognised when products are delivered to the customers. Revenue from palm oil processing services is recognised when the services are rendered.

v) Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

2 Summary of Significant Policies (cont'd)

(I) Accounting Policies (cont'd)

(j) Foreign Currency Transactions

Transactions in foreign currencies during the year are recorded at the rates ruling at the dates of transactions. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the exchange rates approximating those ruling on that date. The resulting foreign exchange gains and losses are dealt with in the profit and loss statement. Exchange differences arising from inter-company monetary items that are an extension to or deduction from the Company's net investment in subsidiaries are taken directly to shareholders' interest. Such exchange differences will be recognised in the profit and loss statement on disposal of the subsidiaries.

Exchange losses related to the development properties, construction in progress and immature plantations are capitalised. Capitalisation ceases when the development properties, construction in progress and immature plantations are ready for their intended use or sale.

Gain and losses on forward foreign exchange contracts on the balance sheet date, excluding swap contracts, are computed by valuing outstanding contracts at rates applicable to their respective dates of maturity and are included in the profit and loss statement. Swap differentials, are identified and taken up in the profit and loss statements over the term of each contract.

Cost and premium expense incurred in entering into swap and forward exchange transactions are amortised over the periods covered by the contracts.

(k) Associated Companies

An associated company is a company, other than a subsidiary or a joint venture, in which the Group holds at least 20% of equity voting capital as a long-term investment or over which the Group is in a position to exercise a significant influence, including participation in financial and operating policy decisions.

Investments in associated companies in the financial statements for the Company are stated at cost and valuation referred to in subparagraph (a) above, less any impairment in net recoverable value.

The associated companies are accounted for by the Group using the equity method of accounting. At the balance sheet date, the Group's investment in associated companies is stated at cost of investment and valuation referred to in subparagraph (a) above plus the Group's share of undistributed post-acquisition reserves.

The profit and loss statements of foreign associated companies are translated into Singapore dollars using the average exchange rates for the year. All foreign exchange adjustments are taken directly to reserves.

(l) Properties Under Development For Sale

Properties under development for sale are stated at acquisition cost or valuation referred to in subparagraph (a) above and consist of land, land under development, houses, shops and strata title buildings under construction.

Land held for development is stated at acquisition cost or valuation conducted during the Restructuring Exercise and consists of land acquired which will be developed in more than one year.

The cost of land, land under development and land held for development includes direct development expenditure, capitalised interest, foreign exchange losses and other indirect costs related to land development. Capitalised interest and foreign exchange losses are those relating to debts obtained to finance the development of land. Capitalisation of these costs will cease when development of the land is complete and ready for their intended use or sale.

2 **Summary of Significant Policies** (cont'd)

(I) **Accounting Policies** (cont'd)

(l) Properties Under Development For Sale (cont'd)

The cost of land under development, including land to be used as roads and land improvements or other non-saleable areas are allocated to the projects based on the area of saleable lots. The cost of houses, shops and buildings being constructed is determined using the specific identification method wherein the cost represents the actual billings from contractors. On the completion of the development, properties held for sale will be classified under current assets whereas properties held for investment purposes will be classified under investment properties. Allowances are made for foreseeable losses.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Consumables are stated at cost using the FIFO (first-in first-out) method.

For the Agriculture Division, the cost of finished goods, consisting of refined palm products and the cost of raw materials and work-in-progress, consisting of crude palm oil, palm kernel and tea, spare parts and fuel, factory supplies, chemical and packing supplies, are determined by the weighted average method.

For the Food Division, the cost of finished goods, determined by the weighted average method, includes an appropriate portion of production overheads.

(n) Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(o) Other Investments

Investments, other than in associated companies, joint ventures and subsidiaries, held on a long-term basis are stated at cost less any impairment in net recoverable value. Income is recognised on the basis of dividends received and receivable during the year. Short-term investments and marketable securities are stated at the lower of cost (specific identification and weighted average method) and market value on an individual basis.

(p) Brands and Trademarks

Brands and trademarks are stated at acquisition cost or net present value of future cash payments of the acquisition cost at the date of the acquisition and are amortised over their estimated useful lives of 20 years using the straight-line method.

2 Summary of Significant Policies (cont'd)

(I) Accounting Policies (cont'd)

(q) Investment Properties

Investment properties are stated at valuation based on independent professional valuations referred to in subparagraph (a) above. Investment properties are revalued annually by directors and once in three years by independent professional valuers to reflect their fair market values. Changes in their values are disclosed as a movement in revaluation reserve, except where any deficit exceeds the amount standing to the credit of the revaluation reserve, in which case the shortfall is charged to the profit and loss statements.

No deferred taxation has been provided on the revaluation surplus as it is the Group's policy to hold investment properties for long-term purposes to generate rental income.

(r) Subsidiaries

Investment in subsidiaries in the financial statements of the Company is stated at cost and valuation referred to in subparagraph (a) above, less any impairment in net recoverable value.

(s) Legal Reserves

Subsidiaries in the People's Republic of China ("PRC") are required by laws in the PRC to set aside a certain percentage of its annual net profit after tax less prior years' losses, if any, as a legal reserve until the accumulated reserve has reached an amount equal to a certain percentage of the subsidiary's paid up capital. This legal reserve can be used to offset a deficit in the accumulated profits.

(t) Joint Venture

The Group's investment in a joint venture, in which the Group is entitled to a share of the results of the joint venture, is carried at cost, net of capital repatriated plus share of post-acquisition results of the joint venture in accordance with the defined profit sharing ratios, less any impairment in net recoverable value.

(u) Convertible Financial Instruments

Convertible financial instruments are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible financial instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in capital reserves (equity). Correspondingly, a discount on the financial instruments is recorded and amortised over the period of the financial instruments.

(v) Impairment of Assets

At each balance sheet date, the Group and Company review the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or building at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2 **Summary of Significant Policies** (cont'd)

(I) Accounting Policies (cont'd)

(v) Impairment of Assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(w) Provisions

Provisions are recognised when the company has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

(x) Financial Assets

Financial assets include bank balances and cash, trade and other receivables and equity investments. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Marketable securities held for the short-term are carried at market value at the balance sheet date. Increases or decreases in the carrying amount of marketable securities are recognised as income or expenses of the period.

Long-term investments, where the group is not in a position to exercise significant influence or joint control, are stated at cost less impairment losses recognised, where the investment's carrying amount exceeds its estimated recoverable amount.

(y) Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the Group and the holder, are classified as liabilities except where the possibility of non-conversion is remote.

Significant financial liabilities include finance lease obligations, interest-bearing bank loans and overdrafts, bonds payables and trade and other payables.

The accounting policies adopted for finance lease obligations and convertible bonds are outlined in subparagraphs (d) and (u) above respectively.

Interest-bearing bank loans and overdrafts and bonds payables are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are stated at their nominal value.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

(z) Cash and Cash Equivalents

Cash for the cash flow statement includes cash and cash equivalent less bank overdrafts. Cash and cash equivalents classified under the current assets comprise cash on hand, cash at bank and time deposits which are short term, highly liquid assets that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2 **Summary of Significant Policies** (cont'd)

(II) Financial Risk Management Policies

The Group's policy prohibits it to enter into speculative transactions.

The Group manages its exposure to financial risks using a variety of techniques and instruments.

a) Interest Rate Risk

The Group and Company are exposed to interest rate risk primarily on its existing floating rate receivables and debts, and on additional debt financing that may be needed as a result of its ongoing rescheduling of the Group's and Company's debts. The interest rate that the Group and Company will be able to obtain on debt financing will depend on market conditions at that time, and may differ from the rates the Group and Company have secured currently.

The interest rate and terms of repayment of the receivables of the Group are disclosed in Notes 16 and 28 to the financial statements. The interest rate and terms of repayment of bank loans and debts of the Group are disclosed in Notes 30, 32, 34 and 35 to the financial statements.

b) Credit Risk

The Group performs ongoing credit evaluation of its customers' financial condition. Customers may be required to provide security in terms of cash deposits or letters of credit. The maximum exposure to credit risk in the event that the counter-parties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheet.

c) Significant Concentrations of Credit Risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect counter-parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

As detailed in Notes 43 and 46 to the financial statements, a substantial portion of the Group assets and operations are located in Indonesia.

d) Foreign Currency Risk

The Group transacts in many currencies and its foreign currency exposures arose mainly from the exchange rate movements of the U.S. dollar, the Indonesian Rupiah, the Renminbi and the Singapore dollar which is also the Group's reporting currency.

The Group does not actively engage in activities to hedge its foreign currency exposures during the financial year.

e) Liquidity Risk

The Group is currently holding negotiations with its major bankers and creditors to restructure its debts to assure necessary liquidity. The ability of the Group to repay its debts as and when they fall due depends on the outcome of the negotiation with the lenders for defaults in payments and for extension of terms, and the ability of the related party bank to repay the amounts due under the time deposits.

2 **Summary of Significant Policies** (cont'd)

(II) Financial Risk Management Policies (cont'd)

f) Agricultural Activity

The Group derives a significant portion of its revenue from refined palm products and crude palm oil ("CPO"). Oil palm trees require approximately three years to mature and do not reach peak production until seven years after planting. The Group operates a controlled replanting program to ensure that oil palm trees reaching the end of their economic life are replaced by higher-yielding varieties. The prices of refined palm products and CPO are based upon international prices, which tend to be subject to fluctuations depending upon the supply and demand dynamics of CPO and palm oil products, changes in world CPO production levels (which tend to be affected by global weather conditions), world consumption levels and changes in the world economy. The Group does not engage in futures contracts with respect to CPO.

3 **Revenue**

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Sale of properties	326,162	259,894	-	-
Rental income from investment properties	62,504	44,345	-	-
Sale of palm oil products and related business	1,318,486	989,652	-	38,035
Sale and manufacture of foodstuff	63,116	124,822	-	-
Others	68,016	48,715	-	-
	1,838,284	1,467,428	-	38,035

4 **Other Operating Income**

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Management fee income from subsidiaries	-	-	9,477	7,144
Commission income from subsidiaries	-	-	307	311
Others	29,428	28,866	475	724
	29,428	28,866	10,259	8,179

5 **Finance Income**

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Interest income				
Advances	1,378	848	-	-
Bonds	4,689	3,774	-	-
Deposits	28,056	38,312	-	2,926
Loan receivables	7,421	5,907	16,003	8,207
Current account	3,261	6,887	32	47
	44,805	55,728	16,035	11,180

6 Finance Cost

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Interest expense				
Bank borrowings	131,165	161,245	5,645	3,612
Bonds payables	2,189	2,898	-	-
	133,354	164,143	5,645	3,612

7 Exceptional Items

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Impairment losses of:				
Subsidiary	-	-	46,038	53,850
Associated companies	13,003	2,835	-	-
Other investments	89	12,833	-	-
Swap receivables	-	56,404	-	-
Property, plant and equipment	69,032	113,671	-	-
Properties held for sale	-	24,462	-	-
Properties under development for sale	-	16,119	-	-
Loss on disposal of:				
Subsidiaries	12,061	-	15,997	-
Associated companies	-	-	19,063	-
Property, plant and equipment	7,910	-	-	-
	102,095	226,324	81,098	53,850

8 Loss Before Share of Results of Associated Companies

In addition to the charges and credits disclosed elsewhere in the notes to the profit and loss statement, this item includes the following charges (credits):

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Directors' remuneration:				
Directors of the Company	3,571	3,041	2,201	2,224
Directors of subsidiaries	8,260	8,599	-	-
Auditors' remuneration:				
Auditors of the Company				
- Current year	504	500	237	400
- Underprovision in prior year	-	100	-	100
Other auditors				
- Current year	956	879	-	-
- Underprovision in prior year	257	144	-	-
Fees payable for non-audit services rendered by:				
Auditors of the Company	-	150	-	150
Other auditors	-	4,889	-	1,743
Depreciation expense	191,353	185,945	365	644

8 **Loss Before Share of Results of Associated Companies** (cont'd)

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Amortisation of:				
Deferred charges	6,115	20,612	188	219
Trademarks	571	574	-	-
Deferred swap expense	-	19,883	-	-
Impairment loss on Goodwill	712	-	-	-
(Gain)/loss on sale of Property, plant and Equipment	(1,412)	3,376	(30)	-
Property, plant and equipment Written off	4,317	4,800	-	-
Loss on disposal of associated companies	-	2,317	19,063	-
Loss on sale of investment properties	-	3,611	-	-
Research and development costs	-	452	-	-
Allowance for doubtful debts on receivables:				
Trade	1,733	2,115	-	-
Other	688	-	-	-
Write back of allowance for doubtful other receivables	-	(62)	-	-
Trade receivables written off	80	1,325	-	-
Other receivables written off	232	56	24	56
Negative goodwill recognised in profit and loss	-	(3,367)	-	-
Allowance for inventories	405	1,517	-	-
(Gain)/loss on disposal of long-term investments	(202)	63	(446)	-
Gain on disposal of short-term investments	(4)	(16)	-	-

9 **Income Tax**

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Tax expense attributable to profit is made up of:				
Current income tax				
- Singapore	498	703	-	-
- Overseas	20,429	15,364	-	-
Deferred income tax				
- Current provision	(9,844)	(103)	-	-
	11,083	15,964	-	-
Adjustments in respect of prior years:				
Current income tax				
- Tax refunds	(1,579)	(2,517)	(166)	-
- (Over)/under provision	(1,204)	223	-	-
	(2,783)	(2,294)	(166)	-

9 Income Tax (cont'd)

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Share of taxes of associated companies	813	(371)	-	-
Share of taxes of joint venture companies	-	-	-	-
	9,113	13,299	(166)	-

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Loss before tax	(56,999)	(466,125)	(99,943)	(18,054)
Less: share of results of associated and joint venture companies	(21,714)	(40,580)	-	-
	(35,285)	(425,545)	(99,943)	(18,054)
Tax calculated at a tax rate of 22% (2001: 24.5%)	(7,763)	(104,259)	(21,987)	(4,423)
Non-taxable items	(80,648)	(69,399)	(4,075)	(2,676)
Non-deductible items	97,757	166,710	25,563	6,213
Effect of different tax rates in other countries	(4,747)	(9,483)	2	2
Utilisation of previously unrecognised tax losses	(9,951)	(1,846)	(47)	(54)
Income tax at concessionary/preferential rate	(943)	(3,267)	(138)	112
Unrecognised deferred tax assets	15,116	30,961	-	-
Taxable losses not allowable for carry forward	3,360	1,969	1,706	18
Under/(over) provision in prior year income tax	(2,783)	(2,294)	(166)	-
Others	(1,098)	4,578	(1,024)	808
	8,300	13,670	(166)	-
Add: share of taxes of associated and joint venture companies	813	(371)	-	-
	9,113	13,299	(166)	-

At the balance sheet date, unutilised tax losses and capital allowances available for offsetting against future taxable income is as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Unutilised tax losses	599,773	416,065	-	-
Unabsorbed capital allowances	29,902	8	-	-
	629,675	416,073	-	-

9 Income Tax (cont'd)

The availability of the unutilised tax losses and capital allowances for set-off against future taxable profits is subject to the tax regulations of the respective countries in which the Group companies are incorporated. The deferred tax benefit arising from the unutilised tax losses and wear and tear allowances of $629,675,000 (2001: $416,073,000) has not been recognised in the financial statements as at 31 December 2002.

Deferred income tax liabilities of $122,839,000 (2001: $119,721,000) have not been recognised for taxes that would be payable on the remittance to Singapore of unremitted retained earnings of $558,360,000 (2001: $488,658,000) of certain subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences will not reverse in the foreseeable future.

The company has been granted Operational Headquarters Status for a period of five years from January 1, 1998. Profit from qualifying activities are subject to tax at a concessionary rate of 10%.

10 Loss Per Share and Net Asset Value Per Share

The loss per ordinary share is based on loss attributable to shareholders amounting to $1,643,000 (2001: $317,119,000) and 2,902,981,583 (2001: 2,902,981,583) ordinary shares in issue during the financial year.

There is no dilution in respect of the ordinary Warrants of the Company, which have expired on 12 July 2002.

The net asset value per ordinary share based on the existing issued share capital as at 31 December 2002 is $0.78 (2001: $0.82).

11 Number of Employees

The number of employees in the Group and the Company at 31 December 2002 were 45,494 (2001: 44,889) and 46 (2001: 54) respectively.

12 Staff Costs and Pension Plans

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Staff costs	99,573	99,702	5,882	6,283
Cost of defined contribution plans included in staff costs	4,917	1,881	449	489
Cost of defined benefit pension plans included in staff costs	6,890	3,409	-	-

Certain subsidiaries in the Group have defined benefit pension plans under which pension benefits are to be paid based on the latest basic salary and number of years of service of the employees. The plans' main source of funds is from the employees and the employers' actuarially computed (by an independent actuary) pension contributions. The employees' contributions range from 1% to 4% of their basic salaries and any remaining amounts required to fund the plans are contributed by the employer.

12 Staff Costs and Pension Plans (cont'd)

The composition of the net periodic pension cost for the Group's plans is as follows:

	Group 2002 S$'000	Group 2001 S$'000
Current service costs (benefits earned during the year)	3,552	2,660
Actual return on plan assets	(1,916)	(684)
Net amortisation and deferral	1,176	(513)
Interest cost	4,078	1,946
Net periodic pension cost	6,890	3,409

The principal actuarial assumptions used by the actuaries were as follows:

	Group 2002 %	Group 2001 %
Discount rate	11	11
Expected long-term rate of return on plan assets	11	11
Salary growth rate	10	10

Included in other payables in the Group balance sheet as at 31 December 2002 are accrued pension cost of $6,014,000 (2001: $2,577,000) comprising:

	Group 2002 S$'000	Group 2001 S$'000
Projected benefit obligation	42,042	32,137
Plan assets at fair value	(17,688)	(12,014)
Excess of projected benefit obligation over plan assets	24,354	20,123
Unrecognised net actuarial gains or losses resulting from changes in plan experience and actuarial assumptions	(1,601)	(334)
Unamortised prior service cost	(16,739)	(17,212)
Accrued pension cost	6,014	2,577

The movement in accrued (prepaid) pension cost is as follows:

	Group 2002 S$'000	Group 2001 S$'000
Beginning accrued pension cost	2,577	(962)
Net periodic pension cost	6,890	3,409
Group's contribution to the pension fund	(3,186)	83
Currency realignment	(267)	47
Ending accrued pension cost	6,014	2,577

13 Cash and Cash Equivalents

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Current portion:				
Cash	123,463	84,269	2,627	4,123
Time deposits	214,083	217,883	12	12
	337,546	302,152	2,639	4,135
Non-current portion:				
Cash	98,565	123,416	-	-
Time deposits	307,126	364,457	-	-
	405,691	487,873	-	-
Total cash and cash equivalents	743,237	790,025	2,639	4,135

The above includes balances with related parties as follows:

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Current portion:				
Cash	35	8,328	-	-
Time deposits	18,135	25,410	-	-
	18,170	33,738	-	-
Non-current portion:				
Cash	98,565	123,416	-	-
Time deposits	307,126	364,457	-	-
	405,691	487,873	-	-
Total cash with related parties [Note 46(b)]	423,861	521,611	-	-

Time deposits amounting to $12,000 (2001: $12,000) and $68,178,000 (2001: $91,235,000) for the Company and Group respectively are pledged to banks as securities for bankers' guarantee and credit facilities granted to the Company and its subsidiaries.

Cash in banks of the subsidiaries amounting to $Nil (2001: time deposit of $2,053,000) are maintained under certain regulations relating to property development and withdrawal from such deposits are restricted to payments for expenditure incurred on the related development projects.

14 Short-term Investments

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
At cost:				
Quoted equity shares	-	8	-	-
Quoted bonds	792	792	-	-
Unquoted bonds	488	384	-	-
Other unquoted	31	139	-	-
	1,311	1,323	-	-
Add: Transfer from associated companies (Note 20)	13,558	-	-	-
Less: Impairment loss - quoted bonds	(792)	(792)	-	-
	14,077	531	-	-
Market values:				
Quoted equity shares	-	10	-	-

The movement in impairment loss is as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning and the end of the year	792	792	-	-

15 Trade Receivables

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Outside parties	162,713	154,753	-	1,175
Subsidiaries (Note 19)	-	-	41,318	49,407
Related parties (Note 39)	883	3,341	-	-
Associated companies (Note 20)	959	2,761	-	-
	164,555	160,855	41,318	50,582
Less: Allowance for doubtful debts	(28,662)	(27,786)	-	-
	135,893	133,069	41,318	50,582

Trade receivables of the Group amounting to $82,921,000 (2001: $94,437,000) have been pledged to banks as securities for credit facilities granted to the subsidiaries.

Movements in allowances:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the year	27,786	28,213	-	-
Currency realignment	(580)	567	-	-
Charge to profit and loss	1,733	2,115	-	-
Written off	(277)	(3,109)	-	-
Balance at the end of the year	28,662	27,786	-	-

16 Other Receivables

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Interest receivables from third parties	122	244	-	-
Prepayments	58,701	36,903	21	218
Advances	1,322	7,518	61	-
Purchase advances	40,375	7,577	-	-
Deposits	676	801	114	130
Recoverables - net (c)	6,806	7,970	71	54
Loans receivables	1,150	334	-	-
Others - net (c)	26,865	32,721	-	617
	136,017	94,068	267	1,019
Holding company (Note 38)	1	1	1	1
Subsidiaries (Note 19)	-	-	604,644	579,065
Associated companies (Note 20)	16,590	92,236	3	3
Interest receivables from associated companies (Note 20)	1,649	1,733	-	-
Related parties – net (Note 39)(c)	10,817	2,432	70	265
Interest receivables from related parties (Note 39)	646	310	-	-
Minority shareholders	3,274	-	-	-
	168,994	190,780	604,985	580,353

a) The amounts receivable from subsidiaries include $264,946,000 (2001: $99,011,000) which bear interest at the rate of 2% to 6% (2001: 3% to 9%) per annum.

b) The amounts receivable from associated companies include $16,387,000 (2001: $17,583,000) which bear interest at the rate of 6% to 18% (2001: 6% to 18%) per annum.

c) The above balances are shown net of allowances for doubtful debts. The movement in allowances is as follows:

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Balance at the beginning of the year	49,503	49,535	-	-
Currency realignment	64	30	-	-
Charge/(Reversal) to profit and loss	688	(62)	-	-
Balance at the end of the year	50,255	49,503	-	-

Other receivables amounting to $2,469,000 (2001: $2,801,000) have been pledged to certain banks for security for credit facilities granted to subsidiaries.

17 Inventories

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Cost:				
First-in first-out:				
- Raw materials	785	996	-	-
- Finished goods	1,297	1,012	-	-
- Consumables	10,191	-	-	-
	12,273	2,008	-	-
Weighted average:				
- Raw materials	106,646	74,195	-	-
- Work in progress	-	109	-	-
- Finished goods	23,961	28,789	-	-
	130,607	103,093	-	-
At net realisable value after allowances for inventory:				
- Raw materials	22,149	21,866	-	-
- Finished goods	33,889	13,265	-	-
	56,038	35,131	-	-
Total	198,918	140,232	-	-
Movement in allowances:				
Balance at the beginning of the year	1,988	7,688	-	-
Currency realignment	(136)	215	-	-
Charge to profit and loss	405	1,517	-	-
Written off during the year	(533)	(7,432)	-	-
Balance at the end of the year	1,724	1,988	-	-

Inventories amounting to $81,647,000 (2001: $68,173,000) have been pledged to banks as security for credit facilities granted to the subsidiaries.

18 Properties Held for Sale

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
At cost	153,328	127,895	-	-
At net realisable value after impairment loss	5,800	124,746	-	-
	159,128	252,641	-	-

18 Properties Held for Sale (cont'd)

Movement in impairment loss:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the year	56,264	2,675	-	-
Currency realignment	(67)	67	-	-
Charge to profit and loss	-	24,462	-	-
Transfer to profit and loss on sale	(55,202)	-	-	-
Transfer from properties under development	-	29,060	-	-
Balance at the end of the year	995	56,264	-	-

No properties held for sale (2001: $73,154,000) have been pledged to banks as security for credit facilities granted to subsidiaries.

Properties held for sale include the following items capitalised as at the end of the financial year:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Interest expense	8,684	16,742	-	-
Depreciation expense	14	14	-	-
Foreign exchange adjustment loss	-	1,062	-	-
Property tax	63	980	-	-

19 Subsidiaries

	Company	
	2002	2001
	S$'000	S$'000
Unquoted equity shares, at cost	525,769	541,583
Unquoted equity shares, at valuation	1,142,407	1,142,407
Quoted equity shares, at valuation	811,331	811,331
	2,479,507	2,495,321
Less: Impairment loss	(99,888)	(53,850)
	2,379,619	2,441,471
Market value of quoted equity shares	143,185	119,312

The movement in impairment loss:

	Company	
	2002	2001
	S$'000	S$'000
Balance at the beginning of the year	53,850	-
Charge to profit and loss	46,038	53,850
Balance at the end of the year	99,888	53,850

19 Subsidiaries (cont'd)

As at 31 December 2002, the market value of the Company's investment in quoted equity shares in a subsidiary, Golden Agri-Resources Ltd, amounting to $143,185,000 (2001: $119,312,000) is substantially lower than its carrying cost of $811,331,000 (2001: $811,331,000). No impairment loss in value of this investment has been made in the Company's financial statements as the Company intends as at 31 December 2002 to hold this investment for long-term purposes and the directors of the Company are of the view that there is no impairment in the net recoverable value of this investment as at 31 December 2002.

In the opinion of the directors, the recoverable amount of the investment in other unquoted equity shares is not less than the carrying amount of the investment, on the basis that the present value of estimated future cash flows expected to arise from the subsidiaries' operations over the next few years will exceed the carrying amount of the investment in these subsidiaries.

Particulars of the subsidiaries are described in Note 47 to the financial statements.

Significant transactions with subsidiaries:

	Company	
	2002 S$'000	2001 S$'000
Sale of goods	-	(36,880)
Interest income	(16,003)	(10,598)
Management fee and commission income	(9,784)	(7,455)
Rental expense	27	626

20 Associated Companies

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Quoted equity shares, at valuation	62,045	62,045	-	-
Unquoted equity shares, at cost	197,184	185,784	-	-
Unquoted equity shares, at valuation	285,257	321,331	-	21,383
	544,486	569,160	-	21,383
Currency realignment on translation of foreign associated companies	(207,864)	(238,987)	-	-
Capital reserve on acquisition	22,391	22,461	-	-
Share of post-acquisition accumulated losses	(42,184)	(23,680)	-	-
	316,829	328,954	-	21,383
Less: Impairment loss	(13,003)	(2,916)	-	-
Transfer to short-term investment (Note 14)	(13,558)	-	-	-
	290,268	326,038	-	21,383

20 **Associated Companies** (cont'd)

The movement in impairment loss is as follows:

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Market value of quoted equity shares	45,144	13,365	-	-
Balance at the beginning of the year	2,916	-	-	-
Currency realignment	-	81	-	-
Charge to profit and loss	13,003	2,835	-	-
On disposal of associated companies	(2,916)	-	-	-
Balance at the end of the year	13,003	2,916	-	-

Particulars of the associated companies are disclosed in Note 48 to the financial statements.

21 **Joint Venture**

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Investment in joint venture	47	47	-	-
Share of currency realignment	(8)	(8)	-	-
Share of losses of joint venture	(39)	(39)	-	-
	-	-	-	-

The details of the joint venture are as follows:

Name of Company and country of incorporation	Principal activities	Group's cost of investment		Effective interest held by the Group	
		2002 S$'000	2001 S$'000	2002 %	2001 %
P.T. Duta Karya Propertindo Indonesia	Property management	47	47	75.14	75.14
Cargill-Mas Holdings Ltd Mauritius#	Dormant	*	*	27.51	27.51
		47	47		

* The cost of investment is below $1,000.
\# The Company is undergoing dissolution.

22 Other Investments

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
At cost:				
Unquoted other investments	14,588	19,482	36	36
Unquoted equity shares	29,534	29,607	-	721
	44,122	49,089	36	757
Less: Impairment loss	(24,675)	(24,588)	-	-
	19,447	24,501	36	757
Quoted bonds at cost				
- related party (Note 39) #	29,070	27,540	-	-
Less: Impairment loss	(13,889)	(13,158)	-	-
	15,181	14,382	-	-
Net	34,628	38,883	36	757
Market values:				
Quoted bonds - related party	15,181	14,382	-	-

These quoted bonds are pledged to banks to secure credit facilities.

Movement in impairment loss is as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the year	37,746	25,988	-	-
Currency realignment	729	365	-	-
Charge to profit and loss	89	12,833	-	-
On disposal of investment	-	(1,440)	-	-
Balance at the end of the year	38,564	37,746	-	-

23 Properties Under Development For Sale

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Properties held for development:				
Land cost	84,588	407,976	-	-
Development cost incurred to-date	109,735	379,531	-	-
	194,323	787,507	-	-
Land held for development	323,458	326,022	-	-
Less: Impairment loss	(12,123)	(15,377)	-	-
	505,658	1,098,152	-	-

23 Properties Under Development For Sale (cont'd)

Movement in impairment loss is as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the year	15,377	30,918	-	-
Currency realignment	585	353	-	-
Charge to profit and loss	-	16,119	-	-
Utilised	(3,839)	(2,953)	-	-
Transfer to properties held for sale (Note 18)	-	(29,060)	-	-
Balance at the end of the year	12,123	15,377	-	-

Properties under development for sale include the following items capitalised as at the end of the year:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Depreciation charge	198	1,249	-	-
Foreign exchange adjustment loss	129,770	122,247	-	-
Interest expense	149,789	345,074	-	-
Property tax	1,448	-	-	-

The subsidiaries' properties under development for sale amounting to $185,954,000 (2001: $363,141,000) have been pledged to certain banks as security for credit facilities granted to subsidiaries.

24 Property, Plant and Equipment

	Investment Properties Freehold land	Investment Properties Freehold buildings	Freehold land	Freehold buildings	Leasehold land and buildings	Storage tanks, land improvement and bridges	Plant, machinery and equipment	Motor vehicles, furniture and fixtures	Mature plantations	Immature plantations	Nurseries	Construction in progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group													
Cost or valuation:													
At the beginning of the year													
Cost	-	40,645	38,152	103,644	477,805	78,183	657,419	186,771	719,050	241,508	10,197	129,231	2,682,605
Valuation	7,672	115,635	54,044	95,268	262,724	-	21,140	-	1,148,151	177,489	-	-	1,882,123
Total	7,672	156,280	92,196	198,912	740,529	78,183	678,559	186,771	1,867,201	418,997	10,197	129,231	4,564,728
Additions	-	-	48	1,436	4,114	699	7,141	14,970	14,609	11,592	1,204	23,124	78,937
Disposals	-	(2,916)	-	(66)	(6,586)	(52)	(18,601)	(9,626)	(2,710)	-	(3,475)	(6,510)	(50,542)
Reclassification	-	-	-	(25)	24,729	3,722	36,884	3,912	192,946	(192,081)	(815)	(69,272)	-
Transfer from properties held for sale	-	78,500	-	-	5,164	-	-	-	-	-	-	-	83,664
Transfer from/(to) properties under development	23,379	614,756	-	-	(51)	-	-	-	-	-	-	-	638,084
Transfer from deferred landrights	-	-	-	-	76	-	-	-	-	-	-	-	76
Balance arising from disposal of subsidiaries	-	-	-	-	(12,081)	(1,355)	(5,251)	(1,622)	(18,362)	(1,270)	(76)	-	(40,017)
Written off	-	-	-	(1,308)	(16,623)	(1,722)	(1,750)	(1,453)	100,623	(109,384)	(844)	(1,810)	(34,271)
Revaluation surplus	-	-	-	-	259	-	50	455	-	-	-	571	1,335
Assets impairment	-	(8,980)	-	-	49	-	(48,069)	(145)	(10,315)	(1,411)	-	(161)	(69,032)
Currency realignment	(482)	(2,524)	45	6,453	(42,032)	(4,970)	(44,337)	(10,483)	(122,330)	(23,852)	(631)	(8,224)	(253,367)
At the end of the year	30,569	835,116	92,289	205,402	697,547	74,505	604,626	182,779	2,021,662	102,591	5,560	66,949	4,919,595
Represented by:													
Cost	22,897	719,481	40,513	109,565	486,779	74,505	583,617	180,288	865,354	42,653	5,560	65,813	3,197,025
Valuation	7,672	115,635	51,776	95,837	210,768	-	21,009	2,491	1,156,308	59,938	-	1,136	1,722,570
Total	30,569	835,116	92,289	205,402	697,547	74,505	604,626	182,779	2,021,662	102,591	5,560	66,949	4,919,595
Accumulated depreciation:													
At the beginning of the year	-	-	-	30,833	132,721	14,439	180,135	129,578	512,431	-	-	-	1,000,137
Depreciation	-	-	-	9,185	24,452	1,882	34,294	23,095	98,566	-	-	2	191,476
Disposals	-	-	-	(5)	(1,765)	(3)	(7,661)	(7,228)	(1,987)	-	-	-	(18,649)
Written off	-	-	-	(166)	8,487	(289)	(28,517)	(1,075)	(8,392)	-	-	(2)	(29,954)
Balance arising from disposal of subsidiaries	-	-	-	-	(6,272)	(373)	(2,333)	(1,604)	(4,803)	-	-	-	(15,385)
Transfer from properties held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	(475)	(353)	(5)	435	398	-	-	-	-	-
Currency realignment	-	-	-	1,467	(8,319)	(970)	(9,356)	(7,797)	(35,365)	-	-	-	(60,340)
At the end of the year	-	-	-	40,839	148,951	14,681	166,997	135,367	560,450	-	-	-	1,067,285

24 Property, Plant and Equipment (cont'd)

	Investment Properties												
	Freehold land S$'000	Freehold buildings S$'000	Freehold land S$'000	Freehold buildings S$'000	Leasehold land and buildings S$'000	Storage tanks, land improvement and bridges S$'000	Plant, machinery and equipment S$'000	Motor vehicles, furniture and fixtures S$'000	Mature plantations S$'000	Immature plantations S$'000	Nurseries S$'000	Construction in progress S$'000	Total S$'000
Depreciation for last year	-	-	-	9,207	24,471	1,703	32,410	24,155	94,209	-	-	-	186,155
Net book value:													
At the beginning of the year	7,672	156,280	92,196	168,079	607,808	63,744	498,424	57,193	1,354,770	418,997	10,197	129,231	3,564,591
At the end of the year	30,569	835,116	92,289	164,563	548,596	59,824	437,629	47,412	1,461,212	102,591	5,560	66,949	3,852,310
Net book value based on cost*:													
At the beginning of the year	7,672	99,363	82,417	113,141	418,690	63,744	481,845	57,193	557,845	241,508	10,197	129,231	2,262,846
At the end of the year	30,569	787,179	81,966	107,942	399,454	59,824	393,012	47,412	686,315	42,653	5,560	66,949	2,708,835

* These represent the carrying amounts of assets that would have been included in the financial statements had the assets been carried at cost less depreciation.

24 Property, Plant and Equipment (cont'd)

Company	Plant and equipment S$'000
Cost:	
At the beginning of the year	2,965
Additions	19
Disposals	(156)
Written off	(371)
At the end of the year	2,457
Accumulated depreciation:	
At the beginning of the year	2,365
Depreciation	365
Disposals	(124)
Written off	(371)
At the end of the year	2,235
Depreciation for last year	644
Net book value:	
At the beginning of the year	600
At the end of the year	222

During the financial year, certain subsidiaries have capitalised depreciation expense amounting to $123,000 (2001: $210,000) in properties under development for sale. The Group's borrowing costs capitalised as cost of property, plant and equipment amounted to $8,902,000 (2001: $5,842,000) during the financial year.

The subsidiaries' property, plant and equipment with a net book value of $2,032,437,000 (2001: $2,045,871,000) have been pledged to certain banks as security for credit facilities granted to subsidiaries.

At the end of the financial year, certain assets of the Group are stated at valuation approved by the directors of the subsidiaries based on the appraisal value by independent valuers on the basis of open market value for existing use as at the end of the financial year, or at directors' valuation. The external professional valuers used by the Group during the financial year were FPDSavills (Singapore) Pte Ltd, Colliers Jardine Property Services (Shanghai) Co. Ltd, Ningbo Appraisal Office and DTZ Debenham Tie Leung (SEA) Pte Ltd.

25 Deferred Charges

Group	Share and bond issue expenses S$'000	Loan charges S$'000	Deferred loss on sales and leaseback S$'000	Others S$'000	Total S$'000
2002					
Cost	7,124	24,213	3,246	20,504	55,087
Less accumulated amortisation:					
Balance at the beginning of the year	6,384	41,628	2,743	11,087	61,842
Currency realignment	350	(1,791)	147	(829)	(2,123)
Amortisation during the year	390	2,680	356	2,689	6,115
Written off during the year	-	(18,845)	-	897	(17,948)
Balance at the end of the year	7,124	23,672	3,246	13,844	47,886
Net	-	541	-	6,660	7,201
2001					
Cost	6,749	44,363	3,075	18,895	73,082
Less accumulated amortisation:					
Balance at the beginning of the year	5,465	23,128	2,710	8,293	39,596
Currency realignment	25	1,232	1	634	1,892
Amortisation during the year	894	17,268	32	2,418	20,612
Written off during the year	-	-	-	(258)	(258)
Balance at the end of the year	6,384	41,628	2,743	11,087	61,842
Net	365	2,735	332	7,808	11,240

Company	2002		2001	
	Loan charges S$'000	Others S$'000	Loan charges S$'000	Others S$'000
At cost	1,558	119	1,677	-
Less accumulated amortisation:				
Balance at the beginning of the year	1,394	-	1,175	-
Amortisation during the year	164	24	219	-
Balance at the end of the year	1,558	24	1,394	-
Net	-	95	283	-

26 Brands and Trademarks

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Brands and Trademarks, at cost	10,038	10,724	-	-
Less accumulated amortisation:				
Balance at the beginning of the year	3,006	2,258	-	-
Currency realignment	(207)	174	-	-
Amortisation during the year	571	574	-	-
Balance at the end of the year	3,370	3,006	-	-
Net	6,668	7,718	-	-

27 Deferred Income Tax

	Accelerated tax depreciation	Deferred charges	Others	Total
Group	S$'000	S$'000	S$'000	S$'000
Deferred tax liabilities				
Balance as at 1 January 2002	55,852	(300)	1,274	56,826
Charged to profit and loss	11,641	2,928	-	14,569
Credited to equity	-	-	(1,192)	(1,192)
Translation adjustment	4,582	10	(82)	4,510
Balance as at 31 December 2002	72,075	2,638	-	74,713
Balance as at 1 January 2001	43,191	134	-	43,325
Charged/(credited) to profit and loss	12,096	(427)	-	11,669
Charged to equity	-	-	1,233	1,233
Translation adjustment	565	(7)	41	599
Balance as at 31 December 2001	55,852	(300)	1,274	56,826

27 Deferred Income Tax (cont'd)

Group	Retirement benefit obligations S$'000	Tax losses and unutilised capital allowances S$'000	Valuation allowance S$'000	Others S$'000	Total S$'000
Deferred tax assets					
Balance as at 1 January 2002	460	95,874	(36,726)	103	59,711
Charged to profit and loss	786	34,683	(11,127)	71	24,413
Translation adjustment	13	11,497	(3,573)	9	7,946
Balance as at 31 December 2002	1,259	142,054	(51,426)	183	92,070
Balance as at 1 January 2001	-	74,265	(29,348)	52	44,969
Charged/(credited) to profit and loss	447	18,921	(7,647)	51	11,772
Translation adjustment	13	2,688	269	-	2,970
Balance as at 31 December 2001	460	95,874	(36,726)	103	59,711

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Deferred tax assets	17,357	2,885	-	-

Realisation of deferred tax assets is dependent on the generation of sufficient taxable income prior to expiration of the tax loss carry-forwards. Although realisation is not assured, the directors of the Company believe it is more likely than not that the net deferred tax asset (net of the valuation allowance), will be realised. The amount of the deferred tax asset considered realisable could be reduced or increased if estimates of future taxable income during the carry-forward period are reduced or increased.

The amount of deferred tax (credited)/charged to equity during the financial year is as follows:

	2002 S$'000	2001 S$'000
Bonds payables	(1,192)	1,233

28 Other Long-term Receivables

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Loan receivables	90,333	95,899	-	-
Staff loans	2,679	1,683	-	-
Subsidiaries (Note 19)	-	-	270,244	324,079
Associated companies (Note 20)	22,072	9,541	-	-
Tax recoverable	29,583	33,930	-	-
Others	2,413	1,430	-	-
	147,080	142,483	270,244	324,079

28 Other Long-term Receivables (cont'd)

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Unrealised gain on Revaluation of foreign Exchange contracts with a Related party bank [Notes 39 and 46(b)]	-	139,834	-	-
Less: Impairment	-	(56,404)	-	-
	-	83,430	-	-
Total	147,080	225,913	270,244	324,079

Movement in impairment loss is as follows:

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Balance at the beginning of the year	56,404	-	-	-
Charged to profit and loss	-	56,404	-	-
Written off during the year	(56,404)	-	-	-
Balance at the end of the year	-	56,404	-	-

a) The amounts receivable from subsidiaries include $152,939,000 (2001: $198,728,000) which bear interest at the rate of 3% to 10% (2001: 3% to 10%) per annum.

b) The amounts receivable from associated companies include $19,533,000 (2001: $20,060,000) which bear interest at the rate of 2.6% to 18% (2001: 3.2% to 18%) per annum.

c) The loan receivables include an amount of US$45,000,000 (equivalent to $78,075,000) [2001: US$45,000,000 (equivalent to $83,430,000)] which is related to an investment in a convertible loan pursuant to a loan agreement entered into by a subsidiary on 20 December 2000 with Nalliwan Trading Ltd ("borrower"). The loan is non-interest bearing on the condition that the borrower and its subsidiaries shall supply all of its palm oil production to the subsidiary.

The subsidiary has the option to redeem the loan in cash on 20 December 2003 or at any time, exercise its rights to take over 100% equity interest of the borrower's shares in Madascar Investment (Mauritius) Ltd ("Madascar"), a wholly owned subsidiary of the borrower, pursuant to the Option to Purchase Share Agreement.

Under the terms of the Option to Purchase Share Agreement, the exercise price for the purchase of all the shares shall be US$45,000,000 if the option is exercised within 2 years from the date of agreement, and shall be at 90% of the prevailing market value of shares upon exercise date if the option is exercised after 20 December 2002. As at 31 December 2002, the subsidiary has not exercised its option.

The embedded derivative (share option) in the convertible loan is not separated from the host contract (loan) on initial issuance and at the balance sheet date because in the opinion of the directors, the value of the embedded derivative is immaterial to the Group and accordingly, the whole compound financial asset is accounted for in the consolidated financial statements as one financial instrument.

28 Other Long-term Receivables (cont'd)

d) Unrealised gain on revaluation of foreign exchange contracts with a related party bank included deferred swap expense (net) of $Nil (2001: $20,563,000) which was amortised over the period covered by the contracts as follows:

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Cost	-	118,714	-	-
Less accumulated amortisation:				
Balance at the beginning of the year	98,151	72,590	-	-
Currency realignment	(6,300)	5,678	-	-
Amortisation during the year	-	19,883	-	-
Write off during the year	(91,851)	-	-	-
Balance at the end of the year	-	98,151	-	-
Net	-	20,563	-	-

29 Goodwill

	Group		Company	
	2002 S$'000	2001 S$'000	2002 S$'000	2001 S$'000
Cost				
Balance at the beginning of the year	-	-	-	-
Additions				
- Goodwill	826	-	-	-
- Negative goodwill	(846)	(3,367)	-	-
Recognised in profit and loss	-	3,367	-	-
Balance at the end of the year	(20)	-	-	-
Less: Impairment loss	712	-	-	-
Net	(732)	-	-	-

30 Bank Loans and Overdrafts

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Secured:				
Bank overdrafts	151	130	-	-
Short-term bank loans	277,460	329,392	-	1,831
Current portion of long-term bank loans (Note 35)	389,551	507,313	-	-
	667,162	836,835	-	1,831
Unsecured:				
Bank overdrafts	-	2,735	-	-
Short-term bank loans	20,054	36,462	-	-
Current portion of long-term bank loans (Note 35)	196,452	379,540	43,375	46,350
	216,506	418,737	43,375	46,350
Total	883,668	1,255,572	43,375	48,181

a) The above includes balances with related parties amounting to $2,508,000 (2001: $158,488,000) for the Group.

b) The bank loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties.

Any non-compliance with these covenants will result in these loans being repayable immediately. In addition, the bank loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of the outstanding loan balances.

During the financial year, certain subsidiaries within the Group have defaulted in payments which resulted in short-term bank loans amounting to $65,921,000 (2001: $39,056,000) for the Group being repayable upon demand.

c) Certain of the Group's time deposits, trade receivables, other receivables, inventories, properties held for sale, properties under development for sale, other investments and property, plant and equipment have been pledged to banks to obtain the above secured bank borrowings (see Notes 13, 15, 16, 17, 18, 22, 23 and 24). In addition, certain of the bank facilities are covered by personal guarantees of certain directors and corporate guarantees of certain shareholders.

The rates of interest per annum for the above bank loans are as follows:

	Group		Company	
	2002	2001	2002	2001
	%	%	%	%
Euro loans	3.76	3.00 - 5.87	-	-
Japanese Yen loans	-	3.60 - 4.20	-	-
Indonesian Rupiah loans	13.50 - 20.00	12.00 - 23.10	-	-
US Dollar loans	2.00 - 10.50	4.23 - 12.25	4.63 - 6.60	4.83 - 9.56
Singapore Dollar loans	2.00 - 6.50	2.63 - 7.25	-	7.25
Renminbi loans	3.00 - 7.62	5.30 - 7.62	-	-
Malaysia Ringgit loans	9.20	9.70	-	-

31 Trade Payables

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Outside parties	321,941	278,152	106,480	111,441
Subsidiaries	-	-	2,318	1,429
Related parties (Note 39)	8,826	2,337	-	-
Associated companies (Note 20)	1,412	597	-	-
	332,179	281,086	108,798	112,870

The Company is negotiating with certain trade creditors to restructure certain trade facilities amounting to $98,900,000 (2001: $106,216,000).

32 Bonds Payables

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
P.T. Duta Pertiwi Bonds*:				
Bonds II due 2005	52,921	70,136	-	-
Bonds III due 2005	41,988	48,570	-	-
Zero Percent Convertible Bonds:				
P.T. Paraga Artamida Bonds due 2003	42,503	40,274	-	-
P.T. Agrointim Respati Bonds due 2006	-	11,930	-	-
P.T. Agropanca Modern				
Bonds due 2005	-	1,904	-	-
Bonds due 2006	-	326	-	-
Less: Unamortised discount on Bonds	(1,077)	(6,366)	-	-
	41,426	48,068	-	-
Asia Integrated Agri Resources Ltd: Guaranteed two percent convertible notes due 2004	-	46,350	-	-
	136,335	213,124	-	-
Less: Current portion	(65,907)	(118,706)	-	-
Non-current portion	70,428	94,418	-	-

* These are bearer bonds.

Movement in unamortised discount on bonds is as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the year	6,366	5,103	-	-
Arising from acquisition of subsidiaries	-	4,248	-	-
Currency realignment	204	(87)	-	-
Amortisation during the year	(2,189)	(2,898)	-	-
Repayments	(3,304)	-	-	-
Balance at the end of the year	1,077	6,366	-	-

32 Bonds Payables (cont'd)

a) In March 1997, a subsidiary, P.T. Duta Pertiwi, issued at par for cash Rp500,000,000,000 bonds due April 2002 consisting of Series A bonds amounting to Rp2,500,000,000 and Series B bonds amounting to Rp497,500,000,000 (collectively known as "Bonds II").

The bonds were redeemable at par on April 17, 2002. The interest on the bonds accrued at a fixed rate of 15.25% per annum for Series A bonds until maturity and a fixed rate of 15.25% per annum for the first year and thereafter at a floating rate based on the average of the six months time deposit rate of five state banks of Indonesia, plus 2% per annum until maturity for Series B bonds. The interest being payable quarterly in arrears starting from July 17, 1997.

The subsidiary was required to establish sinking fund deposits for the payment of the bonds amounting to 1%, 1.5%, 2%, 2.5% for the first, second, third and fourth year respectively, and up to 100% at the maturity date.

In 2001, the subsidiary had defaulted on redemption.

In June 2002, the bonds were restructured with maturity date rescheduled to April 2005. The interest on the bonds is at a fixed rate of 19% per annum.

Principal instalment of 30% of total amount has been paid on 25 June 2002 and 17 December 2002. The remaining outstanding balance is scheduled to be repaid such that 20% of the total principal is made on 17 April 2003, 25% each on 17 April 2004 and 2005. Acceleration of principal payment is allowed on each interest payment date to reduce the principal amount of the succeeding period. Interest will be paid quarterly from 17 July 2002 to 17 April 2005.

The subsidiary is required to establish a sinking fund of Rp12,500,000,000 and will be used in accordance with the percentages of principal instalment on the bonds amounting to Rp6,250,000,000 on 17 April 2003, Rp3,125,000,000 on 17 April 2004 and Nil on 17 April 2005.

The Bonds are guaranteed by a related party.

The balance of the Bond sinking fund as at 31 December 2002 of Rp8,750,000,000 is placed in time deposits with an interest rate of 13.92%-17.74%.

b) In August 1997, a subsidiary, P.T. Duta Pertiwi, issued bonds (known as "Bonds III") amounting to Rp350,000,000,000. The bonds were to be redeemed at par on August 4, 2002. Interest on the bonds accrued at a fixed interest rate of 15.5% per annum with quarterly payments in arrears which commenced on November 4, 1997. The bonds were secured on all the assets of the subsidiary.

In 2001, the subsidiary had defaulted on redemption.

In June 2002, the bonds were restructured with maturity date rescheduled to August 2005. The interest on the bonds is at a fixed rate of 19% per annum.

Principal instalment of 30% of total amount has been paid on 4 August 2002 and 4 December 2002. The remaining outstanding balance is scheduled to be repaid such that 20% of the total principal is made on 4 August 2003, 25% each on 4 August 2004 and 2005. Acceleration of principal payment is allowed on each interest payment date to reduce the principal amount of the succeeding period. Interest will be paid quarterly from 4 November 2002 to 4 August 2005.

32 Bonds Payables (cont'd)

c) In June 1998, a subsidiary, P.T. Paraga Artamida, issued Zero Percent Unsecured Convertible Bonds due 2003 ("the Bonds") amounting to US$138,492,000 to its shareholders or their assignees. The Bonds are redeemable on June 18, 2003 for the principal sum of US$138,492,000 unless previously redeemed, converted or purchased and cancelled by the subsidiary. The Bonds are convertible between June 18, 1998 and June 14, 2003 into new ordinary shares of Rp1,000 each at a conversion ratio of 15 ordinary shares of Rp1,000 each for every US$1,000 Bonds held. During the financial year, the Bonds have been converted from the balance of the Bonds amounting from US$137,642,000 into Rp1,431,440,873,350. The Bonds are convertible at the option of the holder from 54 months after the date of the issuance to 10 days prior to the fifth anniversary of the date of the issuance into new ordinary shares of the subsidiary at an exercise price based on 70% of the net tangible asset value of the subsidiary at the exercise date. During the financial year, no Bonds (2001: Nil) were redeemed and cancelled by the subsidiary. At the end of the financial year, Convertible Bonds of P.T. Paraga Artamida held by other subsidiaries in the Group amounted to Rp1,207,736,972,000 (equivalent to $229,470,000) [2001: US$116,129,000 (equivalent to $215,303,000)].

Bonds amounting to Rp223,703,901,000 (equivalent to $42,504,000) [2001: US$21,513,000 (equivalent to $39,885,000)] were held by related parties.

d) In December 2001, a subsidiary, P.T. Agrointim Respati, issued three Zero Percent Convertible Bonds due 2006 (the "Bonds") amounting to Rp12,787,099,000, JPY96,513,000 and US$4,471,000 to Wake Investments Limited, a company incorporated in Mauritius. The bonds have been fully repaid in July and August 2002.

In 2000, a subsidiary, P.T. Agropanca Modern, issued various Zero Percent Convertible Bonds due on various dates in 2005 (the "Bonds") amounting to US$1,027,000 to Wake Investments Limited, a company incorporated in Mauritius. The bonds have been fully repaid in July and August 2002.

In 2001, P.T. Agropanca Modern, issued various Zero Percent Convertible Bonds due on various dates in 2006 (the "Bonds") amounting to US$176,000 to Wake Investments Limited, a company incorporated in Mauritius. The bonds have been fully repaid in July and August 2002.

e) In March 2000, a subsidiary, Asia Integrated Agri Resources Ltd ("AIAR") issued Guaranteed Two Percent Convertible Notes (the "Notes") due March 2004 amounting to US$25,000,000 (equivalent to $46,350,000) to AIG Asia Infrastructure Fund II LP and AIG Asian Opportunity Fund, LP.

As part of the Debt Restructuring of the Company on 15 August 2002, the Notes were transferred to an investor (the "Investor"). [See Note 35(c)]

33 Other Payables

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Interest payable	24,543	15,687	1,633	955
Advances received on development properties	234,304	248,076	-	-
Advances and deposits from Customers	41,734	47,160	-	-
Retention monies	-	6,270	-	-
Provision for claims	1,875	1,785	-	-
Deposits payable	4,940	332	-	-
Other taxes payable	7,262	8,927	-	-
Trust receipts	37,597	41,528	-	-
Land lease payable	22,045	21,172	-	-
Accruals	44,170	53,745	1,974	5,602
Others	85,469	78,884	-	-
	503,939	523,566	3,607	6,557

33 Other Payables (cont'd)

	Group 2002 S$'000	Group 2001 S$'000	Company 2002 S$'000	Company 2001 S$'000
Holding companies (Note 38)	3,543	3,781	-	-
Minority shareholders	623	137	-	-
Related parties (Note 39)	4,509	874	68	34
Interest payable to related party (Note 39)	4,704	13,761	-	-
Subsidiaries (Note 19)	-	-	2,672	44,689
Associated companies (Note 20)	6,432	7,428	-	-
	523,750	549,547	6,347	51,280

Advances from customers include a payable of $24,293,000 (2001: $37,018,000) as at 31 December 2002, pursuant to supply contracts entered into between a subsidiary and a vendor for delivery of palm oil products. In the financial year 2001, the subsidiary defaulted on its obligation to deliver palm oil products under the supply contracts. Pursuant to a settlement agreement in February 2002, the outstanding balance has been rescheduled by way of shipment of specified quantities of palm oil products, which commenced from February 2002 until the total principal and accrued interest have been repaid in full.

Trust receipts and Advances from customers bear interest ranging from 2.9% to 10.3% (2001:3.4% to 10.3%) per annum.

34 Obligations Under Finance Leases

	Minimum lease payments 2002 S$'000	Minimum lease payments 2001 S$'000	Present value of minimum lease payments 2002 S$'000	Present value of minimum lease payments 2001 S$'000
Group				
Amounts payable under finance leases:				
Within one year	1,358	2,091	1,295	1,994
In the second to fifth years inclusive	359	442	324	357
After five years	8	9	7	6
	1,725	2,542	1,626	2,357
Less: Future finance charges	(99)	(185)	NA	NA
Present value of lease obligations	1,626	2,357	1,626	2,357
Less: Amount due for settlement within 12 months			(1,295)	(1,994)
Amount due for settlement after 12 months			331	363
Net book value of plant and equipment under finance leases			3,134	3,073
Effective rate of interest per annum for finance leases			2.7% - 10.0%	2.8% - 10.0%

34 Obligations Under Finance Leases (cont'd)

	Minimum lease payments		Present value of minimum lease payments	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Company				
Amounts payable under finance leases:				
Within one year	70	131	54	108
In the second to fifth years inclusive	-	86	-	68
	70	217	54	176
Less: Future finance charges	(16)	(41)	NA	NA
Present value of lease obligations	54	176	54	176
Less: Amount due for settlement within 12 months			(54)	(108)
Amount due for settlement after 12 months			-	68
Net book value of plant and equipment under finance leases			103	311
Effective rate of interest per annum for finance leases			4.5% - 8.0%	4.5% - 8.0%

The obligations under finance leases of the Company and Group are secured by the lessor's charge over the leased assets.

35 Long-term Debts

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Secured bank loans	1,036,652	1,055,265	-	-
Less: Current portion (Note 30)	(389,551)	(507,313)	-	-
Non-current portion	647,101	547,952	-	-
Unsecured bank loans	354,781	385,412	80,244	46,350
Less: Unamortised discount on debts	(5,923)	-	(5,923)	-
	348,858	385,412	74,321	46,350
Less: Current portion (Note 30)	(196,452)	(379,540)	(43,375)	(46,350)
Non-current portion	152,406	5,872	30,946	-
Total non-current portion	799,507	553,824	30,946	-

35 Long-term Debts (cont'd)

Movement in unamortised discount is as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the year	-	-	-	-
Additions	6,278	-	6,278	-
Amortisation during the year	(311)	-	(311)	-
Currency realignment	(44)	-	(44)	-
Balance at the end of the year	5,923	-	5,923	-

The amounts due after one year are repayable within the periods as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Between one year to five years	728,254	508,116	12,905	-
More than five years	71,253	45,708	18,041	-
	799,507	553,824	30,946	-

The above includes the Group's loans payable to related parties amounting to $4,857,000 (2001: $27,014,000).

The rates of interest per annum for the above bank loans are as follows:

	Group		Company	
	2002	2001	2002	2001
	%	%	%	%
Euro loans	3.76	3.00 - 5.87	-	-
Malaysia Ringgit loans	9.20	9.70	-	-
Indonesian Rupiah loans	10.00 - 23.10	12.00 - 20.50	-	-
US Dollar loans	2.00 - 13.00	3.00 - 13.00	2.00	4.83 - 9.56
Japanese Yen loans	2.40 - 4.00	3.60 - 7.80	-	-
Renminbi loans	3.00 - 6.63	5.94 - 6.63	-	-
Singapore Dollar loans	2.00 - 6.50	2.44 - 6.50	-	-

a) Certain of the Group's time deposits, trade receivables, other receivables, inventories, properties held for sale, properties under development for sale, other investments, and property, plant and equipment have been pledged to banks to obtain the above secured bank borrowings (see Notes 13, 15, 16, 17, 18, 22, 23 and 24). In addition, certain of the bank facilities are covered by personal guarantees of certain directors and corporate guarantees of certain shareholders.

b) The bank loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties. Any non-compliance with these covenants will result in these loans being repayable immediately upon service of a notice of default by the lenders. In addition, the bank loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of repayment of the outstanding loan balances.

As at 31 December 2002, the Company and certain subsidiaries within the Group have defaulted in payments which resulted in long-term loans amounting to $43,375,000 (2001: $46,350,000) and $363,053,000 (2001: $718,313,000) respectively being repayable upon demand.

35 Long-term Debts (cont'd)

b) As at the date the consolidated financial statements are authorised for issue by the directors, the Company and certain subsidiaries within the Group are in the process of negotiating with the banks for extension of terms and waiver of defaults, including waiver of default interest. In view of the ongoing restructuring of these loans, certain subsidiaries within the Group recognised accrued interest and made partial interest payments in 2002, only up to the extent of the interest rates proposed by the subsidiaries' management to the creditors, which are lower than the interest rates provided in the original loan agreements. In addition, the subsidiaries also did not record the penalties as a result of the abovementioned event default, which is required under the loan agreements. The underaccrued interest and unrecorded penalties based on the original loan agreements and confirmations received from the creditors, amounted to an aggregate amount of approximately US$7.8 million (equivalent to $13.5 million) in 2002. It is presently not possible to determine the eventual outcome of these negotiations and their related financial effects.

c) In March 2000, a subsidiary, Asia Integrated Agri Resources Ltd ("AIAR") issued Guaranteed Two Percent Convertible Notes amounting to US$25,000,000 ("Notes") to a Noteholder. The Notes carried an option for the Noteholder to convert the value of the Notes to ordinary shares in AIAR (the "First Option"). In the event that AIAR failed to meet a certain profitability target ("Profit Test"), the Noteholder had an option to either (i) demand repayment of a certain percentage of the face value of the Notes, or (ii) if the failure to meet such Profit Test persisted over a certain number of years, then the Noteholder could compel the Company as guarantor of the Notes to grant it an option to convert the value of the notes to ordinary shares in either the Company or ordinary shares in the Company's subsidiary, Golden Agri-Resources Limited ("GAR") only (the "Second Option"). However, an agreed limitation to the grant of any such option would be that in the event the Noteholder elects to convert the Notes to ordinary shares in GAR only and such conversion results in dilution of the Company's ownership in GAR to below 51%, then the option to convert the Notes to ordinary shares in GAR lapses automatically and the Noteholder may only convert the Notes to ordinary shares in the Company.

On 16 May 2001, the Company received a letter from the Noteholder alleging non-compliance of the terms of the Notes by AIAR. If substantiated, the Company as guarantor would become directly liable for the liabilities under the Notes.

As part of the Debt Restructuring of the Company on 15 August 2002, the Notes were transferred to an investor (the "Investor"). As a condition to the transfer, the Investor agreed to restructure repayment under the Notes in consideration for the terms of the Notes being amended such that the Company and not AIAR is directly responsible to the Investor for the liabilities under the Notes. It was further agreed that, among other things, reference in the Notes to the First Option and to the Profit Test be deleted, and for the grant of the Second Option to be at the latest on either 1 March 2004 or, if agreed, 1 March 2005 (the "Revised Option"). The exercise price of the Revised Option would be based on the average trading value of either the Company's share price or GAR's share price (as the case may be) as quoted on the Singapore Stock Exchange Main Board 30 days prior to conversion. Alternatively, the Investor may surrender the Revised Option to AFP for a cash consideration of US$17.8 million.

The difference between the proceeds from the Debt and its fair value amounting to US$3,618,000 (equivalent to $6,278,000), which represents the value of the embedded option to convert the Debt into equity of the Group, is recorded in an option reserve as part of shareholders' equity. Correspondingly, a discount on the Debt amounting to $6,278,000 is recorded and amortised over the period of the Debt.

36 Other Long-term Payables

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Outside parties	8,449	1,943	-	-
Minority shareholders	20,612	21,955	-	-
Related parties (Note 39)	-	-	-	-
Deferred income	1,655	1,645	-	-
Others	178	-	-	-
	30,894	25,543	-	-

The balance due to outside parties is unsecured and non-interest bearing. Included in the balance are deposits payable and unsecured notes which are repayable by 2020.

The above balance due to minority shareholders is interest-free, unsecured and has no fixed terms of repayment.

37 Issued Capital

	Group and Company	
	2002	2001
	S$'000	S$'000
Authorised:		
8,000,000,000 ordinary shares $1 each	8,000,000	8,000,000
Issued and fully paid:		
2,902,981,583 ordinary shares $1 each	2,902,982	2,902,982

In July 1997, pursuant to the voluntary conditional take-over offer for all the issued ordinary shares of $0.25 each in the capital of AFP Land Limited (formerly known as Amcol Holdings Limited), the Company issued 34,256,288 Warrants. Each Warrant entitles the holder to subscribe for one new ordinary share of $1.00 each in the Company at the exercise price of US$1.00 between 11 July 1998 and 12 July 2002. No Warrants were exercised since the date of issue and the Warrants expired on 12 July 2002.

38 Holding Company

The directors regard Flambo International Limited, a company incorporated in the British Virgin Islands as the ultimate holding company. The controlling shareholders of the Company comprise certain members of the Widjaja family.

Related companies in these financial statements refer to members of the ultimate holding company's group of companies. Some of the Company's transactions and arrangements are with the related companies and the effect of these on the basis determined between the parties are reflected in these financial statements. The inter-company balances are unsecured, interest-free and have no fixed repayment terms, unless otherwise stated.

39 Related Party Transactions

a) Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related (directly or indirectly) if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

b) Some of the Company's and Group's transactions and arrangements are with related parties and reflected in these financial statements. The balances are with no fixed repayment terms and interest-free unless stated otherwise.

Significant related party transactions:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Interest expense	3,779	22,627	-	-
Insurance premium expense	4,234	2,494	-	-
Purchase of agricultural products	7,727	4,825	-	-
Purchase of soybean products	5,898	-	-	-
Purchase of palm oil products	1,963	-	-	-
Construction costs and project services	277	212	-	-
Rental expense	3,452	5,076	431	626
Sale of goods and services	(83,229)	(78,538)	-	(36,880)
Interest income	(10,929)	(44,042)	(16,003)	(11,118)
Management fee and commission income	(747)	(477)	(9,784)	(7,455)
Rental income	(15,970)	(25,228)	-	-

40 Contingent Liabilities

As at the end of the financial year, the contingent liabilities of the Company and the Group are as follows:

a) Guarantees and indemnity given by the Company to financial institutions and third parties amounted to $1,098,201,000 (2001: $1,716,468,000) in connection with credit facilities granted to subsidiaries, of which $744,429,000 (2001: $941,313,000) relates to credit facilities utilised by the subsidiaries. Bankers guarantees of the Company amounting to $Nil (2001: $12,000) is secured by time deposits.

b) During the financial year, the Company obtained a loan amounting to US$25,000,000 from an Investor. According to the terms of the agreement, the Investor may surrender the option at any time before the Conversion Date and the Company will have to pay the Investor an additional US$17.8 million (equivalent to $30.9 million). [See Note 35(c)]

c) Certain Indonesian subsidiaries are facing claims in respect of titles over certain pieces of land. The aggregate appraised value of the land under dispute amounted to Rp32,735,471,000 (equivalent to $6,220,000) [2001: Rp20,226,351,000 (equivalent to $3,641,000)].

d) The Company and certain subsidiaries have defaulted on certain loan agreements and are obligated under the terms of these loan agreements to pay penalty interest. No accruals have been made for this penalty interest in the financial statements as the subsidiaries are currently negotiating with the respective creditors and therefore, it is not practicable to estimate the accrued interest as the outcome of the negotiations is uncertain.

e) The Comptroller of Income Tax ("CIT") had assessed a subsidiary additional income tax amounting to $7,545,000 for gains on disposal of investment properties. In addition, the subsidiary may be liable for additional tax assessments on similar gains on disposals amounting to $5,373,000. The subsidiary has objected to the additional assessments raised by the CIT and therefore no accruals have been made in the financial statements for the maximum potential tax exposure of $12,918,000.

41 Commitments

The commitments of the Group and Company are as follows:

a)

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Minimum lease payments paid under operating leases	2,094	3,364	677	504

At the balance sheet date, the commitments in respect of operating leases with a term of more than one year are as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Within one year	747	1,938	299	581
In the second to fifth years inclusive	662	2,443	94	205
After five years	13	590	-	-

b) Estimated expenditure committed but not provided for in the financial statements are as follows:

	Group		Company	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Property development	28,677	124,699	-	-
Capital expenditure	1,002	16,964	-	-

42 Financial Instruments

Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities reported in the balance sheet approximate the carrying amount of those assets and liabilities subject to the following assumptions:

- The carrying amounts of short-term non-derivative assets and liabilities, which include cash, receivables and payables, approximate the fair values due to their short maturity.
- The fair values of long-term quoted investments are their market values. Unquoted investments held on a long-term basis are stated at cost less any impairment in net recoverable value. It is not practicable to estimate the fair value of unquoted investments as a reasonable estimate could not be made without incurring excessive costs.
- Fair values of long-term bonds payables and long-term debts are not made as it is not practicable to determine their fair values with sufficient reliability.
- As disclosed in Notes 46(a) and 46(b), which describes significant uncertainties facing the Group, the fair values of certain receivables and time deposits with related party banks cannot be determined with sufficient reliability.

43 Business and Geographical Segments

Business Segment

For management purposes, the Group is currently organised into four operating divisions – Property, Agriculture, Food and Corporate and others. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property	-	investment and development of commercial, industrial and residential properties and ownership and management of hotels and resorts.
Agriculture	-	ownership and cultivation of oil palm plantation, ownership and operation of mill and refinery and producer of consumer cooking oil and margarine.
Food	-	manufacturing and sale of instant noodles.
Corporate and others	-	investment holding activities of the Company and its subsidiaries and other activities.

43 Business and Geographical Segments (cont'd)

Segment information about these businesses is presented below:

	Property S$'000	Agriculture S$'000	Food S$'000	Corporate and Others S$'000	Elimination S$'000	Consolidated S$'000
Group						
2002						
Revenue						
External revenue	449,618	1,286,734	101,932	-	-	1,838,284
Inter-segment sales	7,092	2,258	2,380	687	(12,417)	-
Total revenue	456,710	1,288,992	104,312	687	(12,417)	1,838,284
Results						
Segment profit/(loss) from operations	127,424	38,451	(14,641)	4,936	(811)	155,359
Exceptional items	(20,082)	(25,629)	(56,384)	-	-	(102,095)
Finance cost						(133,354)
Interest income						44,805
Loss before share of results of associated companies						(35,285)
Share of results of associated companies						(21,714)
Loss before income tax						(56,999)
Income tax						(9,113)
Loss before minority interest						(66,112)
Minority interest						64,469
Loss attributable to shareholders						1,643
Assets						
Segment assets	1,959,367	3,142,250	116,204	12,002		5,229,823
Investment in associates	251,915	38,353	-	-		290,268
Unallocated corporate assets						760,594
Consolidated total assets						6,280,685
Liabilities						
Segment liabilities	(423,032)	(294,825)	(56,491)	(114,101)		(888,449)
Unallocated corporate liabilities						(1,842,446)
Consolidated total liabilities						(2,730,895)
Other Information						
Capital expenditure	5,826	70,425	2,666	19		78,936
Depreciation and amortisation	17,718	169,991	10,489	553		198,751

43 Business and Geographical Segments (cont'd)

Group	Property S$'000	Agriculture S$'000	Food S$'000	Corporate and Others S$'000	Elimination S$'000	Consolidated S$'000
2001						
Revenue						
External revenue	352,587	949,820	158,896	6,125	-	1,467,428
Inter-segment sales	6,927	6,556	2,201	33,386	(49,070)	-
Total revenue	359,514	956,376	161,097	39,511	(49,070)	1,467,428
Results						
Segment profit/(loss) from operations	12,240	(98,836)	(30,026)	25,862	(46)	(90,806)
Exceptional items	(85,885)	(79,724)	(60,715)	-	-	(226,324)
Finance cost						(164,143)
Interest income						55,728
Loss before share of results of associated companies						(425,545)
Share of results of associated companies	(40,101)	(479)	-	-		(40,580)
Loss before income tax						(466,125)
Income tax						(13,299)
Loss before minority interest						(479,424)
Minority interest						162,305
Loss attributable to shareholders						(317,119)
Assets						
Segment assets	1,922,494	3,476,185	199,374	65,697		5,663,750
Investment in associates	253,654	72,384	-	-		326,038
Unallocated corporate assets						792,910
Consolidated total assets						6,782,698
Liabilities						
Segment liabilities	(417,868)	(251,587)	(72,576)	(116,502)		(858,533)
Unallocated corporate liabilities						(2,038,345)
Consolidated total liabilities						(2,896,878)
Other Information						
Capital expenditure	110,308	165,663	2,824	152		278,947
Depreciation and amortisation	17,407	195,168	13,562	877		227,014

43 Business and Geographical Segments (cont'd)

Geographical Segments

The Group's operations are located in Indonesia, People's Republic of China, Malaysia, United States of America and Singapore. The Group's Property Division is located in Indonesia, People's Republic of China, Malaysia, United States of America and Singapore. The Agri-Business is carried out in Indonesia and People's Republic of China. Food business is located in People's Republic of China.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services.

	Sales revenue by geographical market	
	2002	2001
	S$'000	S$'000
Indonesia	869,168	591,036
People's Republic of China	579,131	592,020
United States of America	512	11,283
Malaysia	29,257	37,769
Singapore	150,826	155,562
Hong Kong	170,452	45,629
Others	38,938	34,129
	1,838,284	1,467,428

The following is an analysis of the carrying amount of total assets and capital expenditure, analysed by the geographical area in which the assets are located:

	Carrying amounts of total assets		Capital Expenditure	
	2002	2001	2002	2001
	S$'000	S$'000	S$'000	S$'000
Indonesia	4,559,148	4,971,227	71,257	246,669
People's Republic of China	1,332,845	1,305,308	5,543	30,672
Singapore and Others	388,692	506,163	2,136	1,606
	6,280,685	6,782,698	78,936	278,947

44 Subsequent Events

Subsequent to the financial year end, certain subsidiaries further defaulted in payments amounting to $63,399,000. As at the date which the financial statements are authorised for issue by the directors of the Company, these subsidiaries are in the process of negotiating with the lenders.

45 Comparative Figures

The financial statements for the previous year were audited by Deloitte & Touche, Certified Public Accountants, Singapore.

46 Fundamental Uncertainties

(a) Concentration of risk

A substantial part of the Group's assets and operations are located in Indonesia. The Indonesian economy is sensitive to domestic social and political events as well as regional factors. The Group's operations have been affected and may continue to be affected, for the foreseeable future, by the economic conditions in Indonesia. At the date of this report it is not possible to determine how the economic and other developments in Indonesia will impact the Group's operations in the future.

In 2002, the Group experienced a recovery in the market price of refined palm products and crude palm oil ("CPO"), from the all time industry low in 2001 which have a positive impact on the profitability of the Group and the recoverable amount of the Company's investment in quoted equity shares in the subsidiary, Golden Agri-Resources Ltd, amounting to $811,331,000 (2001: $811,331,000), the recoverable amount of the Company's trade and other receivables from subsidiaries in the Indonesia Agriculture Division amounting to $72,910,000 (2001: $77,784,000) and the recoverable amount of the Indonesia Agriculture Division's plantation and refinery assets which are stated in the consolidated balance sheets at valuations performed in 1997 pursuant to a Restructuring Exercise described in Note 2(I)(a) to the financial statements. The Company's and the Group's profitability and operations will continue to be affected by the volatility of refined palm products and CPO prices.

The financial statements do not include the effects of these conditions as they cannot be presently determined and estimated. Related effects of these uncertainties will be reported in subsequent financial statements in future years as they become known and can be estimated.

(b) Realisation of time deposits and cash and cash equivalents

As at 31 December 2002, the credit and other risk exposures of the Group with BII Bank Limited – Cook Islands ("BII Bank Limited"), a related party bank, are as follow:

	2002 S$'000	2001 S$'000
Group		
Time deposits and cash and cash equivalents	405,691	487,873
Foreign exchange swap contracts	-	83,430
	405,691	571,303

BII Bank Limited is a related party bank which is wholly owned and controlled by the Widjaja Family. As at 31 December 2002, significant uncertainties exist on the Group's ability to realise the carrying amounts of these time deposits and cash and cash equivalents placed with the bank. Details of these uncertainties are set out as follow:

a) BII Bank Limited

BII Bank Limited is currently experiencing liquidity shortages brought about by its inability to recover deposits and loans to related parties in Indonesia which have been affected by the depreciation of the Indonesian Rupiah in past years and the unsettled economic conditions in Indonesia.

46 Fundamental Uncertainties (cont'd)

b) Time Deposits, Cash and Cash Equivalents

In May 2001, BII Bank Limited proposed to repay the cash and cash equivalents and time deposits of certain subsidiaries in the Group in aggregate amounts, as follows:

	Group US$'000
Date of proposed repayment	
May 2001 - April 2002	27,000
May 2002 - October 2002	25,000
November 2002 - April 2003	25,000
May 2003 - October 2003	36,500
November 2003 - April 2004	36,500
Balance to be repaid within 24 months from April 2004	147,000
	297,000

Since May 2001 to 31 December 2002, the Group has reduced the time deposits by US$81,041,000 (equivalent to S$140,606,000). A restructuring deed (the "Restructuring Deed") dated 2 November 2001 as amended and restated on 29 May 2002 was entered into between BII Bank Limited and inter alia, each of the respective AFP Group companies which have outstanding time deposits with BII Bank Limited (the "Depositors"). In addition to the Restructuring Deed, BII Bank Limited provided a security package to the Depositors (of which AFP was appointed as trustee), comprising pledges of 42.5% equity interest directly and indirectly in two Indonesian joint venture companies engaged in the development of land at Bekasi Regency, Indonesia (the "Development Project"). The security package further included the assignment of loans made to the two Indonesian joint venture companies by a company related to the AFP Group. The aggregate net carrying amounts of the loans to be assigned to AFP was ¥27,397,291,582 (equivalent to approximately $390,375,000) as at the date of the assignment. The above pledges of equity shares and assignment of loan receivables collectively constitute the security package arranged by BII Bank Limited.

The security package, including the assigned loans, had been appraised at a value of US$249 million (equivalent to S$432 million) as at 1 August 2002, with a future value of US$1,450 million (equivalent to S$2,516 million) at the completion date of the Development Project in 2020.

As announced on 2 November 2001, the Company stated that the independent financial advisor has advised, based on the information currently available then, that the security package is one that the Independent Directors may in the circumstances reasonably consider and accept, particularly as the Group is not in anyway compromising its rights to recover the deposits. The security package is additional to the rights the Group already has as the Group reserved the right to require BII Bank Limited to pay the full amount of time deposits at any time.

For the period from 1 January 2001 to 31 March 2001, the time deposits earned interest at their respective contractual deposit rates as at 31 December 2000. From 1 April 2001 to 1 November 2001, interest rate on the time deposits was deemed to have accrued at the respective rates set out in the Restructuring Deed. Thereafter, interest income on the time deposits and current accounts was accrued based on 0.25% above the average fixed deposit rates quoted by two leading Singapore banks for United States Dollar fixed deposits of 6 month tenure, as stipulated in the Restructuring Deed.

46 Fundamental Uncertainties (cont'd)

These current accounts and time deposits with BII Bank Limited earned interest at the following rates per annum:

	2002	2001
	%	%
Indonesian rupiah	10.0 – 14.0	11.0 – 15.3
U.S. dollar	1.3 – 2.0	2.0 – 15.4
Japanese yen	1.0	1.0 – 6.5

(c) Loan defaults

As disclosed in Notes 30, 32 and 35, the Company and certain subsidiaries within the Group have defaulted in payments and failed to comply with certain indebtedness agreements. In addition, some of the existing credit agreements of the Company and of the Group have been breached as a result of these breaches in other indebtedness agreements. As a result of these defaults in payment, the lenders have the right to recall the outstanding loans immediately, upon serving a notice of default to the Company and the subsidiaries concerned. Consequently, these loans become repayable upon demand as at 31 December 2002 in accordance with the respective loan agreements. Accordingly, the non-current portion of these long-term debts has been reclassified to current liabilities. As a result of this reclassification from non-current to current liabilities, the Group's current liabilities exceed its current assets by $815,179,000 (2001: $1,203,325,000) as at 31 December 2002.

The amount of loans and debts which the subsidiaries have defaulted in payments and indebtedness agreements includes $142,843,000 (2001: $281,720,000) which have been guaranteed by the Company.

As at 31 December 2002, the amount of loans of the Group subject to restructuring negotiation amounted to $472,346,000 (2001: $803,721,000). Subsequent to the year end and up to the date of this report a further $40,238,000 has been successfully restructured with the respective lender. Furthermore, the Group has received support letters from lenders affecting $63,596,000 of outstanding loans, indicating that the lenders will not serve demand notices on the Group pending final negotiations. Notwithstanding the above, in the event these negotiations are unsuccessful the lenders have the right to recall the outstanding loans immediately upon serving a notice of default to the borrowing subsidiaries concerned.

The directors of the Company and the respective subsidiaries are presently negotiating with the lenders to the Company and the Group for waiver of these breaches and defaults and for extension of terms. It is presently not possible to determine the eventual outcome of these negotiations.

(d) Going concern

The matters set out in the preceding paragraphs 46(a) to 46(c) may affect the validity of the going concern assumption on which the financial statements are prepared. The validity of the going concern assumption depends on the successful conclusion of all of these matters. If the Company and the Group were unable to continue as going concerns for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are recorded in the balance sheets. In addition, the Company and the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively.

47 Subsidiaries

The details of the subsidiaries are as follows:

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
AFP International Finance Ltd (5a) Mauritius	Provide management and consultancy services	*	*	100	100
AFP International Finance (2) Ltd (5a) Mauritius	Treasury	-	-	100	100
Asia Management Services Ltd (5a) Mauritius	Provide management and consultancy services	*	*	100	100
Eastern Millenium Ltd (3) Mauritius	Dormant	-	-	100	100
Property Division:					
Indonesia – Property Division					
Firmluck Investments Limited (2) British Virgin Islands	Investment holding	1,273	1,273	100	100
Latour Investments Limited (2) Bahamas	Investment holding	11,946	11,946	100	100
P.T. Aneka Karya Amarta (1) Indonesia	Real estate development	-	-	84.37	84.37
P.T. Bhineka Karya Pratama (1) Indonesia	Investment holding	-	-	71.84	71.84
P.T. Binamaju Grahamitra (1) Indonesia	Property development	-	-	84.35	84.37
P.T. Binamaju Mitra Sejati (1) Indonesia	Property development	-	-	46.39	-

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
P.T. Duta Pertiwi Tbk (1) Indonesia	Property development, general trading and investment holding	-	-	75.14	75.15
P.T. Duta Virtual Dotkom (4) Indonesia	E-commerce	-	-	74.17	74.67
P.T. Ekacentra Usahamaju (1) Indonesia	Investment holding	-	-	84.36	84.37
P.T. Indowisata Makmur (1) Indonesia	Property development	-	-	84.42	84.42
P.T. Karawang Bukit Golf (1) Indonesia	Residential estate and country club and golf development	47,995	47,995	98.12	98.12
P.T. Karawang Tatabina Industrial Estate (1) Indonesia	Industrial estate development	64,205	64,205	85.55	85.55
P.T. Kurnia Subur Permai (1) Indonesia	Property development	-	-	75.14	75.15
P.T. Masagi Propertindo (1) Indonesia	Property development	-	-	84.04	84.04
P.T. Metropolitan Transities Indonesia (1) Indonesia	Real estate development	-	-	84.37	84.37
P.T. Misaya Properindo (1) Indonesia	Property development	-	-	75.14	75.15
P.T. Mustika Karya Sejati (1) Indonesia	Property development	-	-	75.14	75.15
P.T. Pangeran Plaza Utama (1) Indonesia	Property development	-	-	75.14	75.15

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 $'000	2001 $'000	Effective percentage of equity held by the Group 2002 %	2001 %
P.T. Paraga Artamida (1) Indonesia	Provide consultancy services and investment holding	720,727	720,727	84.37	84.37
P.T. Perwita Margasakti (1) Indonesia	Property development	-	-	75.14	75.15
P.T. Prestasi Mahkota Utama (1) Indonesia	Property development	-	-	75.14	75.15
P.T. Royal Oriental Limited (1) Indonesia	Property development	-	-	76.99	76.99
P.T. Saranapapan Ekasejati (1) Indonesia	Property development	-	-	75.14	75.15
P.T. Simas Tunggal Centre (1) Indonesia	Investment holding and general trading	-	-	82.23	82.23
P.T. Sinar Mas Teladan (1) Indonesia	Property development, investment holding and general trading	-	-	79.77	79.77
P.T. Sinar Mas Wisesa (1) Indonesia	Property development, investment holding and general trading	-	-	84.36	84.37
P.T. Sinarwijaya Ekapratista (1) Indonesia	Property development	-	-	45.09	45.09
P.T. Sinarwisata Lestari (1) Indonesia	Hotel	-	-	75.14	75.15
P.T. Sinarwisata Permai (1) Indonesia	Hotel	-	-	75.14	75.15
Richpower International Limited (2) British Virgin Islands	Investment holding	1,418	1,418	100	100

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
Sittingham Assets Limited (2) British Virgin Islands	Investment holding	1,460	1,460	100	100
Ultima International Limited (2) Bahamas	Investment holding	13,279	13,279	100	100
China - Property Division					
Casleton International Limited (2) British Virgin Islands	Investment holding	7,247	7,247	100	100
Handful Resources Limited (2) British Virgin Islands	Investment holding	109,353	109,353	100	100
Jeanchan Limited (3) (in voluntary liquidation) Hong Kong	Investment holding	-	-	100	100
Koon Chung Ltd (1) Hong Kong	Investment holding	-	-	100	100
Ningbo Construction Material Trading Co., Ltd (5b) People's Republic of China	Trading of construction material	-	-	83.45	81.95
Ningbo Golden Department Store Co., Ltd (5b) People's Republic of China	Property development and management	-	-	87.77	86.19
Ningbo Guan Pao Storage Co., Ltd (5b) People's Republic of China	Provision of storage facility in Free Trade Zone Area	-	-	100	100
Ningbo Jinye Land Co., Ltd (5b) merged with Ningbo Zhonghua Land Co., Ltd People's Republic of China	Property development	-	-	-	90.70
Ningbo Zhonghua Land Co., Ltd (5b) People's Republic of China	Property development	-	-	89.21	87.60

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
Primewyn Management & Services Pte Ltd (5c) Singapore	Consultancy and management services	*	*	100	100
Shanghai Golden Bund Real Estate Co., Ltd (1) People's Republic of China	Property development	-	-	96.79	96.79
Smart Investment Ltd (2) Mauritius	Consultancy and management services	*	*	100	100
USA – Property Division					
AFP Properties (USA), Inc. (2) United States of America	Investment holding	-	-	100	100
AFP Properties (USA) Ltd (2) Cayman Islands	Investment holding	63,616	63,616	100	100
Phoenix Airport Centre, Inc. (2) United States of America	Investment holding	-	-	100	100
Phoenix Airport Centre Partnership (2) United States of America	Investment holding	-	-	80	80
Singapore – Property Division					
Atala Investments Pte Ltd Singapore	Investment holding	-	-	100	100
Deborah Real Estate Pte Ltd Singapore	Investment holding	100	100	100	100
Trapani Pte Ltd Singapore	Property owner and developer	-	-	100	100

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
Agriculture Division:					
Indonesia – Agriculture Division					
AFP Agri-Resources Trading (M) Sdn Bhd (1) Malaysia	Trading of fertilizers and mills and refinery equipment	-	-	55.02	55.02
Golden Agri International Finance Ltd (1) Mauritius	Treasury	-	-	55.02	55.02
Golden Agri International (Cayman) Ltd (2) Cayman Islands	Trading in crude palm oil and related products	-	-	55.02	55.02
Golden Agri International (L) Ltd (1) Labuan, Malaysia	Trading in crude palm oil and related products	-	-	55.02	55.02
Golden Agri International (Mauritius) Ltd (1) Mauritius	Trading in crude palm oil and related products	-	-	55.02	55.02
Golden Agri International Pte Ltd Singapore	Trading in crude palm oil and related products	-	-	55.02	55.02
Golden Agri International Trading (Cayman) Ltd (2) Cayman Islands	Trading in crude palm oil and related products	-	-	55.02	55.02
Golden Agri International Trading (Mauritius) Ltd (1) Mauritius	Investment holding	-	-	55.02	55.02
Golden Agri Investment Holding Ltd (1) Mauritius	Investment holding	-	-	55.02	55.02
Golden Agri Shipping Pte Ltd Singapore	General shipping and chartering services	-	-	55.02	55.02

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
Golden Agri-Resources Ltd Mauritius	Investment holding	811,331	811,331	55.02	55.02
Golden Agri International Trading Ltd (formerly known as Golden Insurance (L) Bhd) (4) Labuan, Malaysia	Dormant	-	-	55.02	55.02
P.T. Agrointim Respati (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	26.96	26.96
P.T. Agropalma Sejahtera (4) Indonesia	Investment holding	-	-	52.59	50.07
P.T. Agropanca Modern (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	26.96	26.96
P.T. Aimer Agromas (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	50.51	48.09
P.T. Aimer Sawitmas (5d) Indonesia	Investment holding	-	-	35.24	33.55
P.T. Alam Sumber Rahmat (4) Indonesia	Dormant	-	-	30.51	17.64
P.T. Bantanan Ekajaya (5e) Indonesia	Ownership and cultivation of oil palm plantation	-	-	-	50.07
P.T. Baruna Ekawidya (4) Indonesia	Investment holding	-	-	-	35.05
P.T. Buana Wiralestari (5e) Indonesia	Ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	-	50.07
P.T. Buana Wiralestari Mas (formerly known as P.T.Global Agronusa Indonesia) (5e) Indonesia	Ownership and cultivation of oil palm plantation	-	-	52.59	52.86

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
P.T. Bulungan Sarana Utama (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	28.06
P.T. Bumi Sawit Permai (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	55.02	55.02
P.T. Bumipalma Lestaripersada (5e) Indonesia	Ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	52.59	50.07
P.T. Bumipermai Lestari (5d) Indonesia	Ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	55.02	55.02
P.T. Dumai Refinery Sejahtera (5d) Indonesia	Refinery	-	-	52.59	-
P.T. Djuandasawit Lestari (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	55.02	55.02
P.T. Forestalestari Dwikarya (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	55.02	55.02
P.T. Germamina Kencana (4) Indonesia	Dormant	-	-	28.06	14.03
P.T. Griyagraha Sarimakmur (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	52.59	50.07
P.T. Ivo Mas (5d) Indonesia	Investment holding and trading	-	15,997	-	80
P.T. Ivo Mas Asia (5e) Indonesia	Investment holding	183	-	100	-

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
P.T. Ivo Mas Tunggal (5e) Indonesia	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill and refinery	-	-	52.59	50.07
P.T. Ivomas Tunggal Lestari (5e) Indonesia	Provision of maintenance services for palm oil processing units	-	-	52.59	50.07
P.T. Kresna Duta Agroindo (5e) Indonesia	Ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	28.06	28.06
P.T. Kurnia Cakra Sakti (4) Indonesia	Dormant	-	-	52.59	50.07
P.T. Kusuma Argareksa (4) Indonesia	Investment holding	-	-	-	35.05
P.T. Langgeng Subur (5e) Indonesia	Ownership and cultivation of ornamental plants	-	-	16.13	16.13
P.T. Mantap Andalan Unggul (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	52.59	50.07
P.T. Maskapai Perkebunan Indorub Sumber Wadung (5d) Indonesia	Ownership and cultivation of tea plantation and processing of tea leaves	-	-	-	28.06
P.T. Maskapai Perkebunan Leidong West Indonesia (5e) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	28.06
P.T. Matrasawit Sarana Sejahtera (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	28.06
P.T. Meganusa Intisawit (5e) Indonesia	Ownership and cultivation of oil palm plantation	-	-	36.81	35.05

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
P.T. Mitra Erasukses Abadi (4) Indonesia	Dormant	-	-	52.59	50.07
P.T. Mustika Sinar Kencana (5d) Indonesia	Investment holding and providing maintenance service for palm oil processing unit	-	-	55.02	55.02
P.T. Naksatra Sari Subur (5d) Indonesia	Investment holding	-	-	52.59	50.07
P.T. Numbing Jaya (5d) Indonesia	Ownership and cultivation of rubber plantation, ownership and operation of mill	-	-	52.59	50.07
P.T. Nunukan Sarana Jaya (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	28.06
P.T. Nusantara Candra (4) Indonesia	Dormant	-	-	52.59	50.07
P.T. Nusantara Muktisentosa (5e) Indonesia	Ownership and cultivation of oil palm plantation and ownership and operation of mill	-	-	-	50.07
P.T. Paramitra Agung Cemerlang (4) Indonesia	Provision of shipping and chartering services	-	-	55.02	-
P.T. Pelangi Sungai Siak (4) Indonesia	Dormant	-	-	23.85	23.85
P.T. Perkasa Nusaguna (5d) Indonesia	Ownership and cultivation of tea plantation and processing of tea leaves	-	-	-	28.06
P.T. Perkebunan dan Perindustrian Nirmala Agung (5d) Indonesia	Ownership and cultivation of tea plantation and processing of tea leaves	-	-	-	28.06

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
P.T. Perkebunan Perindustrian Perdagangan dan Impor/Ekspor Tjigaru (5d) Indonesia	Ownership and cultivation of tea plantation	-	-	-	28.06
P.T. Perusahaan Perkebunan Panigoran (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	28.06
P.T. Pratama Ronaperintis (4) Indonesia	Dormant	-	-	19.64	19.64
P.T. Pratita Laksanasetia (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	28.06
P.T. Purimas Sasmita (5e) Indonesia	Investment holding	-	-	55.02	55.02
P.T. Rama Flora Sejahtera (4) Indonesia	Dormant	-	-	28.06	14.03
P.T. Ramajaya Pramukti (5e) Indonesia	Ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	52.59	50.07
P.T. Rawa Bangunyaman (4) Indonesia	Dormant	-	-	55.02	55.02
P.T. Sanggata Andalan Utama (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	28.06
P.T. Satrindojaya Agropalma (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	52.59	50.07
P.T. Satya Kisma Usaha (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	22

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
P.T. Sawit Mas Sejahtera (5d) Indonesia	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	55.02	55.02
P.T. Sinar Kencana Inti Perkasa (5d) Indonesia	Ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	55.02	55.02
P.T. Sinar Mas Agro Resources and Technology Tbk (5e) Indonesia	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill, refinery and producer of consumer cooking oil, shortening and margarine.	-	-	28.06	28.06
P.T. Sinar Mas Super Air (5d) Indonesia	Aerial manuring	-	-	31.17	30.54
P.T. Sumber Indahperkasa (5d) Indonesia	Ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	55.02	55.02
P.T. Swakarya Adhi Usaha (5d) Indonesia	Provision of maintenance services for palm oil processing units	-	-	55.02	55.02
P.T. Tapian Nadenggan (5e) Indonesia	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill	-	-	28.06	14.03
P.T. Tarunacipta Kencana (5d) Indonesia	Ownership and operation of marine cargo	-	-	55.02	55.02
P.T. Telentam Bungoraya (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	28.06	22

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
P.T. Tradisi Mas Sejahtera (4) Indonesia	Dormant	-	-	34.38	34.38
P.T. Tradisi Sawit Mandiri Utama (4) Indonesia	Dormant	-	-	46.76	46.76
P.T. Trans Indojaya Mas (formerly known as P.T. Grahamas Indojaya) (5d) Indonesia	Transportation services	-	-	44.85	35.56
P.T. Timurjaya Agrokarya (5d) Indonesia	Ownership and cultivation of oil palm plantation	-	-	26.96	26.96
P.T. Trimeru (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	55.02	55.02
P.T. Usaha Malindo Jaya (4) Indonesia	Ownership and cultivation of oil palm plantation	-	-	52.59	50.07
Silverand Holdings Ltd (1) Mauritius	Investment holding	-	-	55.02	55.02
World Commodities Trading Ltd (3) British Virgin Islands	Dormant	-	-	-	55.02
China – Agriculture Division					
AFP International Trading (Shanghai) Co., Ltd (5f) People's Republic of China	Trading of palm oil product	-	-	100	100
AFP Agri Mauritius Ltd (5a) Mauritius	Investment holding	*	*	100	100
Agri Holding Ltd (2) British Virgin Islands	Investment holding	*	*	100	100
Agri Trading Co., Ltd (1) British Virgin Islands	Trading of soybean and palm oil products	-	-	100	100

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
Asia Integrated Agri Resources Ltd (1) Bermuda	Investment holding	67,803	67,803	100	100
Dragon Capital Investments Ltd (5a) Mauritius	Investment holding	*	*	100	100
Ever Forward Asia Limited (1) Hong Kong	Trading soya bean and palm oil products	-	-	100	100
Ningbo Shining Gold Cereal Oil Port Co., Ltd (1) People's Republic of China	Port and storage facilities	-	-	68.91	68.91
Ningbo Shining Gold Cereal Oil Storage Co., Ltd (1) People's Republic of China	Provide services in port loading, storage, packaging and transportation	-	-	68.91	68.91
Palm Resources International Trading Co Ltd (1) British Virgin Islands	Trading of soybean and palm oil product	*	*	100	100
Premier Foods International Ltd (5a) Mauritius	Investment holding	-	-	100	100
Rapid Growth Investments Ltd (5a) Mauritius	Investment holding	-	-	100	100
Shining Gold Foodstuffs (Ningbo) Co., Ltd (1) People's Republic of China	Refinery of palm and vegetable oil	-	-	100	100
Shining Gold Oilseed Crushing (Ningbo) Co., Ltd (1) People's Republic of China	Manufacturing of crude vegetable oil	-	-	100	100
Straits Investments Ltd (5a) Mauritius	Investment holding	-	-	84.31	84.31

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
Zhuhai Shining Gold Oil and Fats Industry Co., Ltd (1) People's Republic of China	Refinery of palm and vegetable oil	-	-	85	85
China –Food Division:					
Aerolink Investment Ltd Singapore	Investment holding	99,888	99,888	98.32	98.32
AFP (Shanghai) Co Ltd (5f) People's Republic of China	Provision of management services	918	918	100	100
AFP Marketing Pte Ltd Singapore	Sale of instant noodles	*	*	100	100
Beijing Zhongtie Huafeng Food Company Limited (3) People's Republic of China	Sale of instant noodles	-	-	-	45.06
Dorian Assets Ltd (2) British Virgin Islands	Investment holding	14	14	100	100
Florentina International Holdings Limited (5a) Mauritius	Investment holding	*	*	100	100
Integrated Investments Ltd (5a) Mauritius	Investment holding	*	*	100	100
Solid Growth Investments Ltd (5a) Mauritius	Investment holding	*	*	100	100
Zhongshan Huifeng Real Estate Co., Ltd (5f) People's Republic of China	Property development	-	-	90.11	90.11
Zhuhai Huafeng Film Co., Ltd (5f) People's Republic of China	Manufacturing of biaxially-oriented polypropylene products	-	-	85	85

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
Zhuhai Huafeng Food Industry (Group) Co., Ltd (5f) People's Republic of China	Manufacturing of instant noodles	-	-	90.11	90.11
Zhuhai Huafeng Foodstuff Co., Ltd (5f) People's Republic of China	Manufacturing and sale of instant noodles	-	-	90.11	90.11
Zhuhai Huafeng Packaging Co., Ltd (5f) People's Republic of China	Manufacturing of instant noodles	-	-	90.11	90.11
Zhuhai Huafeng Plastic Packaging Materials Co., Ltd (5f) People's Republic of China	Manufacturing of plastic packaging materials	-	-	90.11	36.04
Zhuhai Huafeng Printing Co., Ltd (5f) People's Republic of China	Manufacturing of plastic packaging materials	-	-	85	85
AFP Land Division:					
AFP Gardens (Tanjong Rhu) Pte Ltd Singapore	Property development	-	-	100	100
AFP Hillview Pte Ltd Singapore	Property development	-	-	100	100
AFP Industry Pte Ltd Singapore	Dormant	-	-	100	100
AFP Land (Malaysia) Sdn Bhd (5g) Malaysia	Investment holding	-	-	51	51
AFP Land Limited Singapore	Investment holding and provision of management services	456,751	456,751	100	100
AFP Plastics Pte Ltd Singapore	Dormant	-	-	100	100

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
AFP Property Management Services Pte Ltd Singapore	Property management	-	-	100	100
AFP Resort Development Pte Ltd Singapore	Resort property development and investment	-	-	100	100
AFP Resort Marketing Services Pte Ltd Singapore	Marketing services to resort establishments	-	-	65	65
AFP Warehouse Pte Ltd Singapore	Logistics and warehousing	-	-	100	100
Amcol (China) Investments Pte Ltd Singapore	Investment holding	-	-	100	100
Amcol (Malaysia) Sdn Bhd (1) Malaysia	Dormant	-	-	100	100
Amcol Construction Sdn Bhd (5g) Malaysia	Resort construction	-	-	51	51
Amcol Cosmos Limited (1) Hong Kong	Dormant	-	-	100	100
Amcol Enterprises (Pte.) Limited Singapore	Dormant	-	-	100	100
Amcol Magnetic Sdn Bhd (1) Malaysia	Dormant	-	-	100	100
Amcol Pacific Infrastructure Pte Ltd Singapore	Dormant	-	-	80	80
Amcol Pacific Management Pte Ltd (3) Singapore	Dormant	-	-	-	60

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
Amcol Properties Pte Ltd Singapore	Dormant	-	-	100	100
Amcol Rex Pte Ltd Singapore	Dormant	-	-	100	100
Anak Bukit Resorts Sdn Bhd (5g) Malaysia	Resort property development	-	-	51	51
Golden Bay Realty (Private) Limited Singapore	Property investment	-	-	100	100
Jurong Golf & Sports Complex Pte Ltd Singapore	Operating a golf and country club, establish, maintain and provide golf courses and recreational facilities	-	-	30.60	30.60
Kastille Pte Ltd Singapore	Investment holding	-	-	51	51
P.T. AFP Dwilestari (5d) Indonesia	Resort development and operation	-	-	65	65
Palm Resort Berhad (5g) Malaysia	Operating a golf and country club, and a hotel	-	-	30.60	30.60
Palm Resort Golf Development Sdn Bhd (5g) Malaysia	Landscaping and plant maintenance services	-	-	30.60	30.60
Palm Resort Group Sdn Bhd (5g) Malaysia	Dormant	-	-	30.60	30.60
Palm Resort Management Pte Ltd Singapore	Management services and investment holding	-	-	30.60	30.60
Palm Villa Sdn Bhd (5g) Malaysia	Dormant	-	-	30.60	30.60
Sankei Pte Ltd Singapore	Dormant	-	-	100	100

47 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2002 S$'000	The Company Cost of investment 2001 S$'000	Effective percentage of equity held by the Group 2002 %	Effective percentage of equity held by the Group 2001 %
E-Commerce Division:					
Asia Food & Property Alliance (S) Pte Ltd (3) Singapore	Dormant	-	-	100	100
Asia Trade Alliance Ltd (3) Bermuda	Dormant	-	-	100	100
Digital Investment Ltd (5a) Mauritius	Dormant	-	-	90	90
Digital Ventures Ltd (5a) Mauritius	Dormant	-	-	100	100
Golden Digital B2B Ltd (3) Bermuda	Dormant	-	-	100	100
Golden Digital Infra Ltd (3) Bermuda	Dormant	-	-	100	100
Golden Digital Resources Ltd (2) Cayman Islands	Dormant	-	-	100	100
Golden Digital Resources Ltd (3) Bermuda	Dormant	-	-	100	100
Golden Digital Venture Ltd (3) Bermuda	Dormant	-	-	100	100
Property Venture Ltd (3) Mauritius	Dormant	-	-	100	100
Sky-Lane Holding Group Limited (2) British Virgin Islands	Dormant	-	-	90	90
		2,479,507	2,495,321		

47 Subsidiaries (cont'd)

Notes:

The above subsidiaries are audited by Moore Stephens, Singapore except for subsidiaries that are indicated below:

(1) Audited by member firms of Moore Stephens International of which Moore Stephens, Singapore is a member.

(2) Not required to be audited by law in its country of incorporation.

(3) Not audited as subsidiary is in the process of winding up/liquidated/dissolution.

(4) Not audited as subsidiary is newly incorporated/inactive.

(5) Audited by other firms of accountants as follows:

- (a) J. Louis Couacaud (F.C.A.)
- (b) Ningbo Siming Certified Public Accountants
- (c) YM Kew & Co
- (d) Drs RB Tanubrata & Rekan (BDO)
- (e) Prasetio Sarwoko & Sandjaja (Ernst & Young)
- (f) BDO International, Shanghai – People's Republic of China
- (g) Ernst & Young (Johor, Malaysia)

* The cost of investment is below $1,000.
\# Subsidiary was previously an associated company

48 Associated Companies

Name of company and country of incorporation	Principal activities	The Company Cost of investment The Group 2002 S$'000	2001 S$'000	The Company 2002 S$'000	2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
Property Division:							
Indonesia – Property Division							
P.T. Anekagriya Buminusa (1) Indonesia	Property development	10,909	10,909	-	-	21.79	21.79
P.T. Bumi Serpong Damai (3e) Indonesia	Construction and development of houses, buildings	294,234	294,234	-	-	50.81	50.81
P.T. Harapan Anang Bakri & Sons (4) Indonesia	Industrial estate development	-	13,882	-	8,423	-	41.03
P.T. Kanaka Grahaasri (1) Indonesia	Property development	5,744	5,744	-	-	21.79	21.79
P.T. Maligi Permata Industrial Estate (4) Indonesia	Industrial estate development	-	22,192	-	12,960	-	46.09
P.T. Matra Olahcipta (1) Indonesia	Property development	11,400	-	-	-	37.57	-
P.T. Mekanusa Cipta (1) Indonesia	Property development	41,264	41,264	-	-	21.79	21.79
P.T. Plaza Indonesia Realty (3f) Indonesia	Property development and hotel owner	62,045	62,045	-	-	14.53	14.53
P.T. Prima Sehati (1) Indonesia	Property development	19,655	19,655	-	-	21.79	21.79
P.T. Putra Prabukarya (1) Indonesia	Property development	1,943	1,943	-	-	21.79	21.79

48 Associated Companies (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment: The Group 2002 S$'000	The Group 2001 S$'000	The Company 2002 S$'000	The Company 2001 S$'000	Effective percentage of equity held by the Group 2002 %	2001 %
P.T. Serasi Niaga Sakti (5) Indonesia	Real estate development	1,727	1,727	-	-	42.19	42.19
China – Property Division							
Ningbo Xin An Real Estate Co., Ltd (3a) People's Republic of China	Property development	950	950	-	-	35.68	35.04
Agriculture Division:							
Indonesia – Agriculture Division							
P.T. Dami Mas Sejahtera (3b) Indonesia	Production and sale of oil palm seeds	3,061	3,061	-	-	26.30	25.03
P.T. Hortimart Agrogemilang (5) Indonesia	Horticulture plant nursery	121	121	-	-	10.97	5.49
P.T. Inti Gerakmaju (3b) Indonesia	Ownership and cultivation of oil palm and coconut plantation	7,870	7,870	-	-	13.75	13.75
P.T. Sinar Meadow Internasional Indonesia (3c) Indonesia	Manufacturing of cooking oil and margarine	14,941	14,941	-	-	26.30	40
P.T. Sinar Oleochemical International (3c) Indonesia	Oleochemical industries	26,056	26,056	-	-	11.22	11.22
P.T. Sinar Pure Foods International (3c) Indonesia	Canning of tuna	2,364	2,364	-	-	14.03	14.03
AFP Land Division:							
Shanghai Trio Property Development Co Ltd (3d) People's Republic of China	Property developer	40,202	40,202	-	-	36	36
		544,486	569,160	-	21,383		

48 Associated Companies (cont'd)

Notes:

The above associated companies are audited by Moore Stephens, Singapore except for associated companies that are indicated below:

(1) Audited by member firms of Moore Stephens International of which Moore Stephens, Singapore is a member.

(2) Not required to be audited by law in its country of incorporation.

(3) Audited by other firms of accountants as follows:

   (a) Ningbo Siming Certified Public Accountants

   (b) Drs RB Tanubrata & Rekan (BDO)

   (c) Prasetio Sarwoko & Sandjaja (Ernst & Young)

   (d) Shu Lun Pan CPA Co., Ltd

   (e) PriceWaterhouseCoopers – Jakarta

   (f) Hans Tuanakotta & Mustofa

(4) Not applicable as associated company was disposed during the financial year.

(5) Not audited as associated company is inactive.

ASIA FOOD & PROPERTIES LIMITED
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Asia Food & Properties Limited (the "Company" or "AFP") will be held on Tuesday, 27 May 2003 at 11.45 a.m. at Concorde Hotel Singapore, Level 4, Concorde Ballroom, 317 Outram Road, Singapore 169075 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Statement of Accounts for the year ended 31 December 2002 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To approve the Directors' Fees of S$253,000 for the year ended 31 December 2002. (FY2001 : S$185,000) **(Resolution 2)**

3. To re-elect the following Directors retiring by rotation pursuant to Article 91 of the Articles of Association of the Company:

   a) Mr Muktar Widjaja **(Resolution 3)**
   b) Mr Frankle (Djafar) Widjaja **(Resolution 4)**
   c) Mr Tan Siauw Liang **(Resolution 5)**

4. To re-elect Mr Simon Lim who is retiring pursuant to Article 97 of the Articles of Association of the Company. **(Resolution 6)**

5. To re-appoint Moore Stephens as Auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

6A. "That pursuant to Section 161 of the Companies Act, Cap 50 and the Listing Rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed fifty percent (50%) of the issued share capital of the Company at the date of this Resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty percent (20%) of the issued capital of the Company at the date of this Resolution, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the next Annual General Meeting of the Company." {*please see note 1*} **(Resolution 8)**

6B. "(a)That pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company, its subsidiaries and associated companies that are not listed on the Singapore Exchange Securities Trading Limited or an approved exchange, provided that the Company and its subsidiaries (the "Group"), or the Group and its interested person(s), has control over the associated companies, or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Company's circular to shareholders dated 7 June 2000 and amended in the manner as set out in Appendix 1 to this Notice of Annual General Meeting *{please see note 2}*, with any party who is of the class of Interested Persons described in the said Appendix 1, provided that such transactions are carried out in the ordinary course of business and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the said Appendix 1 (the **"IPT Mandate"**);

(b)That the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company; and

(c) That the Directors of the Company be and are hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." {*please see note 2A*} **(Resolution 9)**

6C. "(a) That for the purposes of Sections 76C and 76E of the Companies Act, Cap 50 (the **"Act"**), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares of S$1.00 each (**"Shares"**) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a **"Market Purchase"**) on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**); and/or

(ii) off-market purchases (each an **"Off-Market Purchase"**) effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (the **"Share Purchase Mandate"**);

(b) That unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held;

(c) That in this Resolution:

"Prescribed Limit" means ten percent (10%) of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price

(ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) That the Directors of the Company be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." *{please see note 3}* **(Resolution 10)**

By Order of the Board

Simon Lim
Director
9 May 2003
Singapore

Notes:

1. With the exception of The Central Provident Fund Board (who may appoint more than two proxies), a member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the Registered Office of the Company at 3 Shenton Way, #17-03 Shenton House, Singapore 068805 not later than 48 hours before the Annual General Meeting.

2. CPF Holders of AFP shares who wish to receive a printed copy of the Annual Report may write in to request for a copy from the Company at 3 Shenton Way, #17-03 Shenton House, Singapore 068805.

Additional information relating to the Notice of Annual General Meeting:

1. The Ordinary Resolution 8 proposed in item 6A above, if passed, is to empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to issue shares and convertible securities in the capital of the Company. The number of shares and convertible securities that the Directors may issue under this Resolution would not exceed fifty percent (50%) of the issued capital of the Company at the time this Resolution is passed. For issue of shares and convertible securities other than on a pro-rata basis to shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty percent (20%) of the issued capital of the Company.

   The percentage of issued capital is based on the Company's issued capital after adjusting for (a) new shares arising from the conversion of convertible securities or employee share options on issue at the time this Resolution is passed and (b) any subsequent consolidation or subdivision of shares.

2. The mandate for transactions with Interested Persons as described in the circular to shareholders dated 7 June 2000 (the "Circular") and Appendix 1 (the "Appendix 1") to this Notice of Annual General Meeting include the placement of deposits by the Company with financial institutions in which Interested Persons have an interest. However, without affecting the realization of the deposits as disclosed in paragraph 8(b) of the Auditors' Report and Notes 13 and 46 to the consolidated financial statements, or the Restructuring Deed dated 2 November 2001 as amended and restated on 29 May 2002, or the security package, the Board of Directors of the Company will not place any further or fresh deposits with BII Bank Limited, Cook Islands.

2A. The Ordinary Resolution 9 proposed in item 6B above, if passed, is to renew for another year, up to the next Annual General Meeting of the Company, the mandate for transactions with Interested Persons as described in the Circular and Appendix 1, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting.

3. The Ordinary Resolution 10 proposed in item 6C above, if passed, is to renew for another year, up to the next Annual General Meeting of the Company, the mandate for the renewal of share purchase as described in the Appendix 2 to this Notice of Annual General Meeting, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting.

ASIA FOOD & PROPERTIES LIMITED

SHAREHOLDING STATISTICS AS AT 10 APRIL 2003

AUTHORISED SHARE CAPITAL	: S$8,000,000,000
ISSUED AND FULLY PAID-UP CAPITAL	: S$2,902,981,583
CLASS OF SHARES	: Ordinary Shares of $1.00 each with equal voting rights

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	678	2.45	301,735	0.01
1,000 - 10,000	17,913	64.70	90,233,612	3.11
10,001 - 1,000,000	9,038	32.64	458,280,077	15.79
1,000,001 & ABOVE	58	0.21	2,354,166,159	81.09
Total	**27,687**	**100.00**	**2,902,981,583**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
HSBC (SINGAPORE) NOMINEES PTE LTD	931,978,749	32.10
FLAMBO INTERNATIONAL LTD	614,208,000	21.16
RAFFLES NOMINEES PTE LTD	322,976,233	11.13
CITIBANK NOMINEES S'PORE PTE LTD	176,271,616	6.07
NOMURA SINGAPORE LIMITED	67,619,998	2.33
UNITED OVERSEAS BANK NOMINEES PTE LTD	36,177,241	1.25
DBS NOMINEES PTE LTD	18,833,688	0.65
MOHAMED SALLEH SO KADIR MOHIDEEN SAIBU MARICAR	15,939,000	0.55
UOB KAY HIAN PTE LTD	14,116,475	0.49
KIM ENG ONG ASIA SECURITIES PTE LTD	13,886,741	0.48
TAN CHENG HAI	12,300,000	0.42
QAF AGENCIES (S) PTE LTD	12,140,000	0.42
PHILLIP SECURITIES PTE LTD	8,844,838	0.30
SECOND CHANCE INVESTMENTS PTE LTD	8,216,000	0.28
SAMCO CONSTRUCTION PTE LTD	8,000,000	0.28
OVERSEA CHINESE BANK NOMINEES PTE LTD	6,865,705	0.24
CHNG GIM HUAT	6,000,000	0.21
WISNU KUSMIN	4,371,000	0.15
OCBC SECURITIES PRIVATE LTD	4,305,597	0.14
GUAN PENG HARDWARE PTE LTD	3,525,000	0.12
Total	**2,286,575,881**	**78.77**

SUBSTANTIAL SHAREHOLDERS

	No. of Shares in which they have an Interest				
Name	**Direct Interest**	**Percentage (%)**	**Deemed Interest**	**Percentage (%)**	**Total Percentage (Direct and Deemed Interest) (%)**
FLAMBO INTERNATIONAL LIMITED[1]	1,849,542,000	63.71	5,610,000	0.19	63.90
THE WIDJAJA FAMILY MASTER TRUST (2)[2]	-	-	1,855,152,000	63.90	63.90

Notes:

1 The deemed interest of Flambo International Limited arises from its interest in 5,610,000 shares held by its wholly-owned subsidiary, Golden Moment Limited in the Company.

2 The deemed interest of The Widjaja Family Master Trust (2) arises from its interest in 1,855,152,000 shares held by Flambo International Limited in the Company.

Based on the information available to the Company as at 10 April 2003, approximately 36.08% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register **and** registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 3 Shenton Way, #17-03 Shenton House, Singapore 068805 not less than 48 hours before the time set for the AGM.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap 50.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Affix
Stamp
Here

PROXY FORM

The Company Secretary
ASIA FOOD & PROPERTIES LIMITED
3 Shenton Way
#17-03 Shenton House
Singapore 068805

Important:

1. For investors who have used their CPF monies to buy shares of Asia Food & Properties Limited, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
ANNUAL GENERAL MEETING

AFP

Asia Food & Properties Limited
(Incorporated in the Republic of Singapore)

I/We,____(Name)

of____(Address)

being a member/members of Asia Food & Properties Limited (the "Company" or "AFP") hereby appoint the Chairman of the Annual General Meeting of the Company (the "AGM") or –

Name	Address	NRIC / Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate):

as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM to be held on **Tuesday, 27 May 2003 at 11.45 a.m.** and at any adjournment thereof.

(Please indicate with an "X" in the space provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of AGM. In the absence of specific direction, the proxy/proxies will vote or abstain as he/they will on any other matter arising at the AGM).

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1	Adoption of Reports and Accounts		
2	Approval of Directors' Fees		
3	(a) Re-election of Mr Muktar Widjaja		
4	(b) Re-election of Mr Frankle (Djafar) Widjaja		
5	(c) Re-election of Mr Tan Siauw Liang		
6	Re-election of Mr Simon Lim		
7	Re-appointment of Auditors		
	SPECIAL BUSINESS		
8	Authority to Directors to issue shares and convertible securities		
9	Modifications and renewal of Shareholders' Mandate for Interested Person Transactions		
10	Renewal of Share Purchase Mandate for purchases by the Company of its issued ordinary shares		

Dated this __________ day of ______________ 2003.

Total Number of Shares Held

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE